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February 28, 2017

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New Jersey Herald

News

3 Sussex municipalities cutting power bills

By Bruce A. Scruton New Jersey Herald Posted: Feb. 14, 2017 12:01 am

Electricity costs for residents in three Sussex County municipalities will be reduced by about 22 percent next month as those towns join with four Warren County municipalities in an energy aggregation program.

Fredon is taking the lead on the Sussex Warren Community Energy Aggregation Program, the second year it has participated.

Joining with Fredon for the next 20 months are Andover and Stanhope boroughs in Sussex County and the Warren County townships of Hope, Hardwick, Harmony and Knowlton.

The program takes advantage of New Jersey law that allows municipalities to group together to form a cooperative large enough to get discounts offered to larger groups.

In this case, the group is not buying road salt or gasoline, but allowing its residents to "purchase" electric power at a lower rate.

The bids are submitted through a state-run auction, in the case of the Sussex-Warren group, for the next 20 months for the supply of electricity.

The bid, which becomes effective for the March bill, is \$0.07989 per kilowatt hour, or about 22 percent less than the average \$0.10278 currently charged through Jersey Central Power & Light.

The reduction does not apply to the transmission cost which JCP&L will continue to collect under a rate set by the state's Board of Public Utilities and varies between a summer rate and winter rate.

"Residents will see a direct reduction on their electric bill," said a news release from Concord Engineering, a program manager for this particular cooperative.

Customers will continue to get a bill from JCP&L but that bill will reflect the lower price for electricity.

Wendy Molner, vice president for government relations for Concord, said this is the second foray into an energy aggregation program for Fredon which will see additional savings as part of the larger group.

Township Mayor George Green said such programs provide a chance for homeowners "to realize a savings with their electric bill without risk. We are pleased that this round of the energy aggregation program will result in an increase in savings for our residents."

Stanhope Mayor Rosemarie Maio said, "I really do not understand why other municipalities are not participating."

Under the current state program, once a town's governing body passes the necessary ordinances to become part of a similar cooperative, most homeowners are automatically enrolled into the program.

Not included in the program are those who are already in a third-party supply contract and those who have a utility-approved solar or other renewable energy supply of their own, which may be supplemented by a utility.

The change will show up on the electric bill under supplier cost. The bidders at the auction must also meet the state requirements for a percentage of the electricity to be produced by renewable energy.

The transmission cost currently averages just under 5 cents per kilowatt hour.

However, New Jersey allows the company to charge a different rate, from 10 cents per kwh down to 0.001 cents per kwh, depending on the amount of power used by the customer.

The average residential utility bill in New Jersey is \$109 per month which includes cost to produce the electricity and the utility's cost to transmit that energy.

Under the aggregate program, the consumer still receives all the protections offered by the state Board of Public Utilities, the Division of Rate Counsel and the state Department of Community Affairs, said Lisa Hibbs, vice president of operations and government relations for Commercial Utility Consultants, Inc. another of the cooperative's program managers.

"Residents should continue to call JCP&L for billing questions and power outages," she explained.

There has also been an extensive outreach program to the residents in each of the towns, said Molner, who noted that each of the municipal clerks in the cooperative has information.

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"Consumers can opt out if they choose, and even opt back in later on if they so choose," she said.

Bruce A. Scruton can also be contacted on Twitter: @brucescrutonNJH or by phone: 973-383-1224.

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Harvey Roseff

According to this article, I'm paying well less than local government for delivered electricity? That's a hefty delivery cost! Then again, Fredon is burdened with their past decision resulting in ever increasing electricity costs from the solar boondoggle that snared the county taxpayer. While Somerset County entities started at 4.1 cents/kwH, Fredon signed up for 9.35cents/kwH. At 3%/yr escalators,the 2011 program must be approaching 11 cents now with the county losing millions to deliver this unappetizing price.

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