FAQs & Program Details

Township of South Orange Village
Energy Aggregation Program
Program Update
February 2021

ATTENTION PSE&G CUSTOMERS – Energy Aggregation Update!

As many will recall, two years ago, the Township of South Orange Village joined with neighboring Essex County towns Glen Ridge, Maplewood, Montclair and Verona to form the Essex County Sustainable Energy Alliance (“SEA”), for the purposes of seeking bids to purchase energy for residents with the twin goals of increasing residents’ access to high quality green energy and reducing the cost of electricity.

We achieved those goals in early 2019 and awarded a 17-month cooperative energy contract to Direct Energy Services to supply cheaper and greener electricity to thousands of our residential customers. By leveraging the bulk purchasing power of thousands of households we were able to get power supply with over 40% renewable energy content, nearly double the renewable energy content of PSE&G power supply, at a price that was cheaper than the average PSE&G tariff price of a kilowatt-hour of energy.

The contract with Direct Energy began in July 2019, with a 17-month term that ran through December 2020. In September 2020, with the end of the initial SEA electric supply contract approaching, the Sustainable Essex Alliance again went out to bid out for a new energy supplier. However, pricing on those returned bids was not favorable and the Sustainable Essex Alliance rejected them.

Subsequently, our contract with Direct Energy ended in December 2020, and letters were sent out by PSE&G in December explaining that PSE&G would again serve as the default energy supplier.

In an effort to further increase our bulk purchasing power, the Sustainable Essex Alliance reached out to other municipalities, and the Township of Livingston and the Borough of Glen Rock were recently added to the SEA. The expectation was that by including a larger group of households, there would be a better result in bid pricing. With Livingston and Glen Rock joining in, a total of seven towns would be working together.

New Contract Awarded for Round 2 of the SEA

The SEA remains committed to advancing green energy and using its marketing strength to obtain cheaper rates of electricity for the residents in the seven participating municipalities.

On November 4, 2020, after adding Livingston and Glen Rock to create additional purchasing power, observing market improvements and changing the start date for the contract to improve the chances for favorable pricing, the SEA accepted new bids for Round 2 of the program. The new bid prices were indeed significantly improved as compared to the bids received in September. As a result, the SEA is pleased to announce that it awarded a contract for Round 2 of the program to Energy Harbor, the low bidder, for a 17 month contract which will begin in April 2021.

Under the new contract with Energy Harbor, **the baseline product will again provide participating residents with power supply that has nearly double the renewable energy content required of PSE&G**, at a price of **$0.12696**/kWh, which is below the current average Basic Generation Service tariff price of PSE&G. Therefore, residents can expect to receive power supply under Round 2 of the SEA program that is greener than utility-provided power supply, and at a cost that is expected to be lower than the cost of utility-provided power supply over the contract term.

In addition, **participating residents will have the ability to voluntarily OPT-UP to a 100% renewable energy product**, for a modest price premium of $0.00741/kwh above the base contract price (i.e. $0.13437/kwh vs. the baseline contract price of $0.12696/kwh). While modestly higher than the PSE&G tariff price, this voluntary 100% renewable energy supply product is priced favorably against similar options currently available on the marketplace.

Expect Solicitations from Energy Providers

As you may have previously, you are likely to again receive solicitation phone calls and letters directly from 3rd party suppliers offering green energy and different electric rates. Be aware that these solicitations are not associated with the Sustainable Essex Alliance, are not leveraging the purchasing power of your municipality and may not include high quality renewable energy sources.

Going Forward

In early February 2021, all eligible residents will receive a mailing providing the details of the Round 2 contract with Energy Harbor. This will signify the beginning of the 30-day ‘opt-out’ period. As with the Round 1 program, the mailer will include information on how to opt-out of the SEA program, via phone, internet, or return of postage paid opt-out card, if you choose for any reason to remain with PSE&G supply and not to participate in the SEA program. If you wish to be in the SEA program, no action needs to be taken.

You will also receive information on how to ‘OPT-UP’ to the 100% renewable energy product should you not only wish to remain in the SEA program but also wish to pay the slightly higher price for the 100% product.

At the conclusion of the 'opt-out' period, Energy Harbor will enroll all residents who did not opt-out for power supply service beginning with April 2021 meter reads. If you do not opt-out, you will receive a notice from PSE&G in mid-March stating that Energy Harbor has enrolled your account for service. Service with Energy Harbor will begin effective with your April 2021 meter read, and you will begin seeing Energy Harbor charges on your May PSE&G bill. If you do opt-out, you will remain with PSE&G power supply.

For residents seeking additional information, we have scheduled a Public Information Session from **6:00 p.m. to 7:00 p.m. on February 18, 2021**. The Village's energy consultant, Gabel Associates, will make a brief presentation and answer questions. In order to assure the public's safety, the Session will be conducted electronically rather than in-person, using the same call-in instructions that are being employed for the Board of Trustees' meetings: