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# Burlco readies discount electricity supply program for residents

By David O'Reilly, Inquirer Staff Writer

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Burlington County is preparing to create a discount electricity supply program for residential consumers, officials say, but it won't know what the savings will be until towns sign up.

"Each town has to pass an ordinance to join," said Nicholas Reynolds, chief operating officer of Commercial Utility Consultants, the county's energy consultant.

Once a municipality opts in, Reynolds said, all its residential account holders are automatically made customers of the program, but may opt out at any time.

County residents can expect to start seeing literature in the mail explaining the program's benefits in the next few weeks, according to Freeholder Director Bruce Garganio.

Those who are enrolled could save 10 percent to 12 percent by summer, Garganio said, when he expects the county's energy aggregation, or bulk-purchase, program to begin.

"There really appears to be a need," said Garganio, who said that more than 15,000 county residents listened in on four "informational town halls" he conducted by phone in recent weeks.

Of the dozens of callers he spoke to during those hour-long sessions, Garganio said, "not one said they were happy with their third-party suppliers" of electricity.

He said most callers complained that they had not received the savings they expected by switching from the big electric distribution companies like Public Service Electric & Gas and Atlantic City Electric to private, third-party suppliers.

The county's 40 cities and townships must decide by year's end whether to opt in.

Six municipalities in Gloucester County have signed up for a similar program there.

Once Burlington County knows how many municipalities and property owners are in the plan, Garganio said, it will seek bids from prospective suppliers.

In 2003, the Legislature passed the Energy Aggregation Act, which allowed municipalities and counties to provide bulk-purchased energy. It proved infeasible, however, because individual consumers had to opt into a program, and few did.

In July 2012, the lawmakers revised the act so that municipal governments could vote to bring all their residents in, thus ensuring the high volume needed for deep discounts.

In January 2013, Plumstead Township in Ocean County became the state's first municipality to take advantage of the new regulations. In its first year it was able to offer the 1,800 enrolled households generation rates 14 percent below those of the local utility, Jersey Central Power & Light.

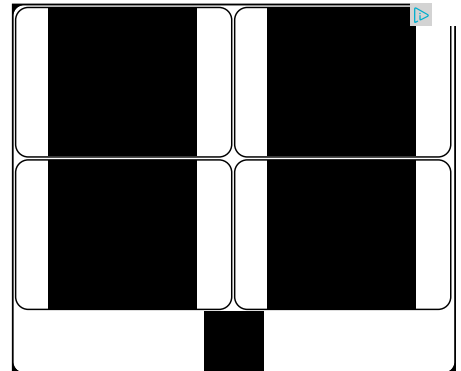
Plumstead's municipal utilities authority projected that the typical household would save about \$165 per year.

Union and Passaic Counties have also begun programs. The farthest along is Somerset County, which has recently invited applications from prospective third-party providers that wish to bid in its forthcoming auction.

Reynolds said that early next year his firm would conduct an auction

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a contract to supply electricity at a fixed price for a year or more.

"The exact timing will be dependent on the market," Reynolds said. If bids are not appreciably lower than what the big energy distribution utilities offer, his firm will advise the county to conduct another auction later.

Once a winning supplier is selected, all households eligible to participate will be sent notices describing the program, along with data indicating how the new rate will compare with those of other providers in their service area.

If a residential account holder wishes to participate and receive the newly negotiated lower rate, no action is required. Those choosing not to participate will have 30 days to return a portion of the letter indicating that they wish to opt out.

Customers who already have contracts with third-party providers might not be able to join county program until their contracts expire, however, or may be charged penalties to terminate their contracts early.

Businesses are not automatically included in the county's aggregated energy program, said Reynolds, but may choose to join.

County officials say they are hopeful account holders will be attracted by the consumer safeguards in the state regulations. These stipulate that if utilities such as Atlantic Electric or PSE&G lower their rates to below those a county offers, the county must at least match those rates.

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