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Howell touts savings of energy aggregation

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HOWELL — Municipal officials are moving forward with an energy aggregation program that they say will save residents money on their electricity costs.

At the June 24 meeting of the Township Council, Nicholas Reynolds, chief operating officer of Commercial Utility Consultants, presented the results of a May 20 public auction for energy costs, as well as the winning energy supplier for Howell.

Energy aggregation is a program in which a governing body selects an energy (electricity) supplier and places residential customers into service from that supplier with the promise that a lower cost for the energy will save the customer money.



The auction produced a cost of 9.709 cents per kilowatt hour, which is less than the Jersey Central Power & Light (JCP&L) cost of 10.56 cents per kilowatt hour, according to an energy aggregation mailer that was sent to residents by the township.

JCP&L will remain as the distributor of the electricity.

Reynolds said the lower rate that was approved is for a 16-month contract.

Mayor Bill Gotto said, “The energy auction was very successful, enabling our residents to save a significant amount of money in the coming months. There really is no downside, so we hope everyone will participate for their own benefit.”

Municipal officials did not provide an exact dollar amount a residential customer will save each month if he elects to remain in the energy aggregation program.

Officials suggested that once the energy aggregation program is under way, a resident could compare his electric bill with the lower cost of a kilowatt hour to the corresponding month from a previous year to determine the savings that have been realized.

“Howell has decided to go with a guaranteed rate option that will drop or match the competing price,” Reynolds said.

The winning energy supplier at the auction was TriEagle Energy.

Under energy aggregation, residents are automatically enrolled in the program, but they retain the right to opt out.

The initial opt out time period has begun and will remain in effect until July 23.

Letters explaining the program have been sent to residents. The letter explains the difference between the auction rate and the rate provided by JCP&L.

“Any resident who has received a letter has the choice to opt out of the program if they wish to for any reason and at any time,” Reynolds said.

After the opt out period, JCP&L will send a letter to residents informing them when the switch in their electricity supplier will formally take place. That notification will take place after the meter reading scheduled for Aug. 1, according to Reynolds.

“Whichever day your meter is read either on or after Aug. 1, the switch will become active,” he said.

If every resident who is eligible for the energy aggregation program decides to stay with the program, Howell residents as a whole will save about \$1.2 million a year, according to Reynolds.

Commercial Utility Consultants expects to meet with the Howell Chamber of Commerce and community development representatives to propose the idea of energy aggregation to business operators, according to the council.

Unlike residential customers who are automatically placed in the energy aggregation program and have the option to opt out, business are not automatically placed in the program and have the option to opt in.

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