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FLORHAM PARK BOROUGH COUNCIL

Energy aggregation program touted by Florham Park officials

By CHRISTINE LEE Editor Jan 23, 2017

FLORHAM PARK – Borough officials are looking at an energy aggregation program for residents to save money on their energy bills.

An ordinance establishing such a program in the borough was introduced unanimously by the Borough Council during their regular meeting Thursday, Jan. 19.

The program, run through the state's Board of Public Utilities, would allow the borough to explore ways to lower the energy rate on residents' electricity bills.

"The establishment of a government aggregator and an energy aggregation program to purchase electric generation service and natural gas will increase competition for the provision of electric power and natural gas to residential and non-residential users, increasing the likelihood of lower electric and natural gas rates for these users without causing any interruption in service," the ordinance reads.

If the borough were to go with the program, ratepayers would see a "direct" reduction in their electric and gas bills, it adds.

Mayor Mark Taylor said it would help the borough purchase energy in bulk, while saving money in the process.

The energy aggregation program would combine the borough's energy use, takes it to an auction and from there, comes up with a focused rate, Stacia Scaduto, a commercial utility consultant, explained to the council.

In order for the program to work, Scaduto added, the rate has to be lower than what Jersey Central Power & Light (JCP&L) offers. The borough is serviced by JCP&L.

"If there is not a reduced rate, there is no program," she noted. "Everybody just stays with JCP&L."

The chosen energy supplier would pay the energy aggregation program, Scaduto said. The borough wouldn't pay anything, she noted.

Arif Welcher, a government and business manager with the state's Board of Public Utilities, said the program allows residents to save money on the supply side of their energy bills. And there's an additional perk, he explained.

"This is going to give the town as a whole a discounted rate," Welcher added. "Everyone in the town gets the same rate."

The program also allows residents to get the same rate on electricity and wouldn't have to spend any fees on the program, Welcher said.

Mark LoGrippe, a government representative with the Board of Public Utilities, estimates that the program is used in around 40 municipalities statewide.

Getting Word Out

The ordinance introduced is the first step for the borough to opt in to the program, Scaduto said. Any outreach done before the ordinance is up for a second reading is handled by Scaduto and her team, she added.

"We do a very robust outreach period," Scaduto said.

That time includes town hall meetings, videos and mailings. She emphasized that period is a way to educate residents on the program.

She emphasized that the program doesn't change the current energy program residents utilize.

“The whole point is just getting folks to understand nothing is changing, but you get the reduced rate,” Scaduto remarked.

The program covers residential energy use and residents have the option to opt out of the program, she added.

Scaduto said the contract for the program is determined by the auction, what the best rates are for the borough and what rates would look like in the future. If the contract were to expire, the group would ask the council if they want to renew the contract for the program.

“There’s no automatic renewal for anybody,” she observed.

JCP&L Area Manager Rob Walton said the company “doesn’t care” where municipalities are buying electricity from.

What matters, Walton added, is JCP&L’s liability numbers, which includes determining how long customers are without power, how often customers don’t have power and how long it takes to restore power.

“Those three numbers are how we judge our performance as a utility,” he remarked.

“Whether the power is coming from the vendor we buy from, the vendor you choose to use, it does not matter to the utility,” Walton added. “It is the same deliver, the same wires, the same meters, the same service.”

A public hearing for the ordinance is scheduled for 7 p.m. Thursday, Feb. 16 at the Municipal Building at 111 Ridgedale Ave.

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