



TOWNSHIP OF SOUTH ORANGE VILLAGE
SUSTAINABLE ESSEX ALLIANCE ENERGY AGGREGATION
C/O DIRECT ENERGY SERVICES
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Tulsa, OK 74101-0180

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Township of South Orange Village Sustainable Essex Alliance Renewable-GEA (SEA R-GEA) Program Announcement

Dear South Orange Village Resident:

In 2018 the Township of South Orange Village, together with neighboring Essex County communities Glen Ridge, Maplewood, Montclair and Verona, came together to form the Sustainable Essex Alliance Energy Procurement Cooperative (SEA EPC), a joint purchasing initiative with the goal of using bulk purchasing power to procure electric power supply on behalf of Village residents at a lower price, and with a higher renewable content, than power supply provided by PSE&G. This program has been named the Sustainable Essex Alliance Renewable Government Energy Aggregation ("SEA R-GEA"). In April 2019, South Orange and fellow participating municipalities solicited price proposals from competing suppliers in the hopes of awarding a beneficial contract for its residents.

We are pleased to inform you that, as a result of a recent competitive bid process, a contract was awarded to the low bidder, Direct Energy Services, for a 17-month contract beginning in July 2019 for residents of South Orange as well as residents of the other participating Essex County municipalities listed above, who are located in PSE&G territory. The new contract with Direct Energy Services will provide electric supply that has approximately double the renewable content of standard energy supply currently provided by PSE&G, at a price that is more than 10% lower than the current tariff price being paid by those residents currently receiving supply through PSE&G. Even with an expected drop in PSE&G tariff prices later this year the contract is projected to save the typical participating resident about \$150 over the 17-month contract term, with a substantially higher renewable energy content, and with no change to the level of service.

Direct Energy Services is an electric supplier licensed by the State of New Jersey, has been in business for nearly 20 years, and has experience serving tens of thousands of residential customers through energy aggregation programs like the SEA R-GEA. If you do not wish to participate in the SEA R-GEA program for any reason, you are welcome to opt-out by following the instructions provided in the Program Summary on the reverse side of this Notice. If you do not opt-out of the SEA R-GEA program, you will also receive a notification from PSE&G in June that your account is being enrolled with the new SEA R-GEA supplier, Direct Energy Services, effective with the July 2019 meter read.

For residents seeking additional information, the Village has scheduled a Public Information Session, taking place at 7:00 p.m. on Thursday May 16, 2019 at the Baird Community Center, located at 5 Mead Street, South Orange, NJ. Further information about the program can also be found on the Village's website.

If you have specific questions about the program and are unable to attend the Public Information Session, you can reach out directly via telephone or email to the Village's energy consultant, Gabel Associates, or to Direct Energy Services, who have the expertise and resources to help you and whose contact information is provided in the enclosed program materials.

The energy aggregation program is only for the energy supply portion of your electric service. The delivery portion will continue to be provided by PSE&G at regulated rates and PSE&G will continue to provide all emergency and safety services. PSE&G will also continue to provide customer services such as meter readings, billing and service restoration. If you are on a PSE&G budget billing plan, you will continue to receive that service. ***Please take the time to read the enclosed materials and familiarize yourself with this program.***

Please note: If you do not opt-out, you will receive a notice from PSE&G in approximately 30-45 days confirming your switch to Direct Energy. Again, NO ACTION is required in order to participate in the SEA R-GEA program.

Sustainable Essex Alliance Renewable Government Energy Aggregation (SEA R-GEA) Program Summary

Direct Energy Services Information:	Direct Energy Services, LLC (BPU License # ESL-0078) Toll Free Telephone Number: 1-866-968-8065 Website: directenergy.com/aggregations Address: P.O Box 180, Tulsa, OK 74101 Email Address: sea@directenergy.com
Price Structure:	Non-Variable Price ¹
Generation/Supply Price:	\$0.11005 per kilowatt-hour (kWh)
Statement Regarding Savings:	The contract supply price is more than 10% below the current average PSE&G tariff supply price. With anticipated reductions in the PSE&G tariff price later this year, projected savings for the typical participating resident are estimated at about \$150 over the contract term versus the average PSE&G tariff price-to-compare. For budget billing details, see footnote below ²
Amount of Time Required to Change Back to Default Service or Another TPS:	The request to switch out of the SEA R-GEA program will become effective on the next available meter read date in accordance with processes implemented by PSE&G
Incentives:	Power supply for all participating residents includes about 41% renewable energy, nearly double the renewable content provided by PSE&G through its default supply option
Right to Opt Out / Rescind / Cancel:	You will be automatically enrolled in the SEA R-GEA program unless you submit an ‘opt-out’ request during the 30-day opt-out period, which ends May 30, 2019. If you choose to ‘opt out’, please sign and return the enclosed postage-paid card, call Direct Energy toll-free at 1-866-968-8065 or email sea@directenergy.com by May 30, 2019. If you do not opt out by May 30, 2019 you will be enrolled; however, you may still leave the SEA R-GEA program at any time thereafter <i>You may also opt out through the SEA R-GEA Energy Consultant at www.gabelassociates.com/GEA or sea-info@gabelassociates.com.</i>
Program Start Date:	Service will begin with your July 2019 meter read date
Program Term/Length:	17 months, until your December 2020 meter read date
Cancellation/Early Termination Fees:	None. You can opt out at any time, with no penalty or cancellation fee
Renewal Terms:	No automatic roll-over or renewal. If a new contract is awarded for the SEA R-GEA, you will be notified, provided a new Program Summary, and will again be given the opportunity to participate in the program or opt out. If no new contract is awarded, program participants will be returned to PSE&G supply service in December 2020.
PSE&G Contact Information:	Toll-Free Telephone Number: (800)-436-7734

Para obtener esta información en Español por favor llame a este numero: 1-866-968-8065

Residents receiving this notice who are outside the geographic boundaries of South Orange, or the other SEA R-GEA participating municipalities (Glen Ridge, Maplewood, Montclair or Verona), please contact Direct Energy to be removed from the program. South Orange residents who do not receive this notice are permitted to join the program any time.

¹ Supplier cannot vary prices monthly or adjust prices for changed market conditions, or change the rate after an initial ‘teaser’ period. The price will remain unchanged for the full contract term. The only exception is a one-time contract price adjustment resulting from a change in law that also effects the cost of power supply provided by PSE&G, in which case the contract price adjustment will not adversely impact the level of savings as compared to the PSE&G tariff price for power supply.

² Equal payment plans (EPP) will be provided to residents who currently have EPP billing with PSE&G. Under budget billing service, Direct Energy will calculate your budgeted amount based on your average electric usage over the prior 12 months. Periodically, Direct Energy will examine your budget and may adjust to more closely match your usage from the previous year. Direct Energy will conduct a final true-up at the end of the contract - or upon your leaving the program should you ‘opt-out’ before the end of the 17-month term - to reconcile between the amount of electricity actually used and the amount paid under the plan. The new budget amount may vary from the level of your current budget payment. You will continue to receive a levelized amount from PSE&G for delivery service, and you may experience true-ups with PSE&G during the contract.



Community Energy Aggregation Frequently Asked Questions



What is Community Energy Aggregation?

Community Energy Aggregation is a program permitted under New Jersey State law that allows municipalities to pool together residents and conduct a bid for power supply from third-party suppliers, with the aim of obtaining a power supply price that is cheaper, and/or has more renewable energy than the power supplied by the electric utility. The program is conducted under the oversight of the New Jersey Board of Public Utilities, the Division of Rate Counsel and the Department of Community Affairs. South Orange, along with neighboring Essex County municipalities Glen Ridge, Maplewood, Montclair and Verona, have joined together into a single purchasing cooperative, which has been named the Sustainable Essex Alliance (SEA).

Who has been selected as the SEA program supplier for residents in the PSE&G service territory?

Direct Energy Services was selected by the SEA as the qualified supplier with the lowest proposed price for PSE&G customers in a public, competitive procurement. Direct Energy Services is an electric power supplier licensed by the New Jersey Board of Public Utilities.

When does the program with Direct Energy Services begin?

Service will begin with the July 2019 meter read date and will continue for 17 months – until December 2020.

How does the SEA program contract price compare to the PSE&G tariff price for electricity supply?

The price of \$0.11005 per kilowatt-hour (kWh) is more than 10% below the current average PSE&G tariff price for power supply. Even with expected drops in the PSE&G tariff price later this year, the average resident in South Orange and the other SEA-participating municipalities is still projected to save about \$150 over the full contract as compared to the average PSE&G tariff price-to-compare over that period. Additionally, the energy supply procured through the SEA program contains **nearly double the renewable content currently being provided by PSE&G default energy supply!**

Does the price vary as energy market conditions change?

No. This is a non-variable price that does not change with market conditions. Unlike some third-party supply contracts, the price is locked in through a contract with the SEA and will not fluctuate after an initial 'teaser' period. The contract price can only change if there is a Change in Law that equally affects the price of PSE&G power supply, such that even after such a price adjustment the savings as compared to the PSE&G tariff price is maintained. Any such Change in Law price adjustment would be subject to review and approval by the SEA to assure that the savings are not adversely impacted.

If I participate in the program, how does this affect my utility bill and service?

Your PSE&G bill includes separate charges for delivery service and for power supply service (i.e., Basic Generation Service). PSE&G will still provide delivery service and read your meter, and you will still receive a single bill from PSE&G which will continue to include the PSE&G delivery charges, but the utility Basic Generation Service charges for power supply will be replaced by the charges offered by the SEA's chosen supplier, Direct Energy Services. Even if you participate in the program, PSE&G will still be responsible for service reliability and restoration.

Is participation mandatory?

Participation is never mandatory. Residents who do not currently have a third-party supply contract (i.e., take power supply service from PSE&G under the utility's Basic Generation Service tariff) are included in the initial eligibility pool. However, residents can opt out of the SEA program by mail, phone or electronically using the information in the Program Summary. If you opt out within the 30-day opt-out period (by May 30, 2019), you will not be enrolled in the program at all. Even after enrollment you can opt out any time, effective with the next meter read cycle, and there are no penalties or fees to do so.

Will I receive any other notifications?

Yes. If you do not opt out of the program, several weeks after receipt of this Information Package you will receive a notification letter from PSE&G indicating that Direct Energy Services has enrolled your account for third-party supply and informing you of the date you will be switched to Direct Energy Services. This is just an added notification; no further action is required in order to participate.

Will I ever be requested to provide information to a door-to-door solicitor for enrollment in this program?

No. This program does not include any door-to-door solicitation. Direct Energy Services has the necessary information already, subject to strict confidentiality. If you are solicited by someone, please do not provide them with your information – alert the Village, the SEA's energy consultant, Gabel Associates or Direct Energy Services immediately.

Who do I call if there is a power outage?

PSE&G will still provide delivery service. If the lights go out, you would still call PSE&G at 1-800-436-7734

Will I still be able to receive budget billing (Equal Payment Plan)?

Yes. If you currently have a budget billing plan with PSE&G, the selected supplier is required to provide you with an equal payment plan for your power supply charges. PSE&G will continue to bill a levelized amount each month for delivery service, and Direct Energy Services will also bill a levelized amount each month (through the PSE&G bill) for power supply. You may experience a "true-up" on your bill from PSE&G prior to enrollment and then again at the end of the program.

What happens at the end of the SEA's contract with the supplier?

There is no automatic rollover. If the SEA decides to continue the program, it will conduct a new competitive bid for a new contract, and you will be advised of the new contract. If the SEA discontinues the program, you will simply be returned to PSE&G power supply at the PSE&G tariff price.

How do I obtain more information?

Program details are provided in the Program Summary enclosed with this package. You can also contact Direct Energy Services using the contact information provided in the Program Summary enclosed in this information package or Gabel Associates at 855-365-0770. Additional information regarding the program, including more detailed FAQs, can be found on the Village's website at: <https://www.southorange.org>.