

October 10, 2012  
Municipal Building  
121 Evergreen Road  
New Egypt, NJ 08533

The Special Meeting between the Township Committee and the Plumsted Municipal Utilities Authority (PMUA) was called to order by Mayor David Leutwyler.

**STATEMENT:** "This meeting is being held in compliance with the Open Public Meetings Act. It was presented for publication to the Asbury Park Press and the Trenton Times and posted on the bulletin board."

**THOSE OFFICIALS PRESENT:**

COMMITTEEMAN TROTTA            COMMITTEEMAN WYSONG            MAYOR LEUTWYLER  
COMMITTEEMAN MARINARI    DEPUTY MAYOR SORCHIK  
MUNICIPAL CLERK HENDRICKSON        MUA ATTORNEY MCGUCKIN

Deputy Mayor Sorchik was in attendance via phone.

Walter Bronson, Chairman of PMUA called their meeting to order and proceeded with the roll call.

The meeting opened with the flag salute.

Mayor Leutwyler said as Mayor of Plumsted Township and working in the industry, he was going to recuse himself from the meeting. He continued by saying he would turn the meeting over to Deputy Mayor Sorchik but he is in attendance by phone and it would be difficult for him to run the meeting by phone. So he was turning the meeting over to the capable hands of Committeeman Jack Trotta. The rest of committee would be there for anything that may be needed. He went on to say he had been advised by counsel to recuse himself so there would be no conflict of interest as he was in the industry.

Chairman of the PMUA, Walter Bronson, explained the Township Committee decided to pursue energy aggregation and authorized the MUA to act on its behalf in soliciting proposals from consultants to assist in that process. Bids were taken this afternoon and a report has been prepared by the consultants, Gabel Associates.

Mr. Bronson asked Bob Chilton of Gabel Associates to give a short presentation to go over the bids and what has been done the last few months. Bronson thanked the principle people who have been involved in the process on the MUA's end, not only Gabel Associates and their very capable team. Bronson said the MUA appreciated all the work they have done. On the MUA's end, Ed Weirsky and Bob Minter headed up the subcommittee that worked closely with Gabel Associates. He especially wanted to thank Mike McCue, the former Chairman of the MUA, who got the ball rolling several months ago. He thanked McCue and told him he appreciated his help.

Bob Chilton of Gabel Associates said the process started many months ago. There is a detailed process for government energy aggregation that is laid out in the New Jersey Board of Public Utilities (BPU) rules which have been followed quite strictly. There have been a lot of steps through all of this in terms of public notice, developmental documents, documents such as bid documents and contract documents that have been submitted to the BPU, Division of Rate Counsel for their review and comment. This led to the issuance of a request for proposals on September 12<sup>th</sup> from licensed electric suppliers in two stages.

In stage one, they were asked for their qualifications. There were a number of questions asked in terms of their background and experience in general. In the energy industry, particularly with respect to government energy aggregation, they were asked for references from prior work that Gabel checked. They also asked suppliers to ask questions or offer comments on the bid documents. As a result of the questions that came in, Gabel issued an addendum where some minor modifications were made to the bid documents to reflect some of the questions and clarified some issues for the suppliers. Gabel received qualification packages from eight (8) suppliers; this was a really great response. All submissions were reviewed and it was determined that all suppliers were qualified and their qualifications were evaluated based on the responses they provided to Gabel. They interviewed references that were provided. Based upon all of this, Gabel ranked the eight suppliers into one of three categories: excellent, good or fair, which they felt was their demonstrated experience.

Chilton continued by saying price bids were received today, this was stage two. Gabel asked for two price bid options with pricing for budget billing. There are a percentage of residents in the Township that have budget billing through JCP&L. The utilities themselves do not offer budget billing when a customer goes to a third party supplier. This became a bit of an issue which is the reason they asked for a bid with and without budget billing. Ultimately they evaluated proposals from the supplier based on pricing offered and those reflecting a preference on the Township's part that they would be able offer budget billing if they switched to third party billing.

Proposals were received today from seven of the eight suppliers. The eighth proposal came in too late to be considered. The bid included separate pricing for residential accounts and for municipal and business accounts. There are 31 municipal accounts and 12 business accounts. The residential accounts are the vast majority of usage under this RFP, with well over 95%. The evaluation criteria established ahead of time was to select the most preferential residential proposal and then add the commercial and lighting accounts. The lowest price bid for the residential accounts came in from ConEdison Solutions. ConEdison Solutions also offered budget billing as part of their proposal and is one of the suppliers ranked at the highest level in terms of qualifications. Gabel's recommendation is to award a contract to ConEdison Solutions with a price for residential customers of 8.7353 cents per kilowatt hour. That is a little over 15% lower than the current residential tariff price that JCP&L offers. Gabel is conservatively projecting the JCP&L tariff will be reduced next June by 3%. Chilton said he thought this was a very clear result.

Chilton said that ConEdison Solutions did not offer particularly compelling pricing for the commercial and municipal accounts. He said Gabel did not recommend that they be added to the contract. The award to ConEdison Solutions would be just for the residential accounts on an opt-out basis and ConEdison would manage the opt-out process for the Township. At the Township's discretion, you could issue a future bid for the municipal and commercial business accounts for those that chose to remain.

Chilton said, in summary, Gabel is recommending the award of the contract to ConEdison Solutions for residential accounts to undertake government aggregation of the opt-out process then ultimately the enrollment for residential customers with the savings of about 14%. This would work out to approximately an average of \$175 yearly or \$15 a month reduction in electric cost. Gabel is recommending a rebid on the other accounts at a future time.

The MUA thanked Mr. Chilton for his presentation.

Chairman Bronson asked if anyone on the MUA had any questions for Mr. Chilton. MUA member Ron Dancer said it was his understanding that in that bid price and the way the bid specs were written was professional expenses that the Township Attorney and the MUA attorney and the consultant, are inclusive so that the taxpayers won't have to pay for any of those costs. Mr. Chilton said this was correct. The supplier, ConEdison, will write a check to the Township for reimbursement for its out-of-pocket expenses for professional fees. The supplier will be responsible for compensating Gabel Associates for their consulting services. All of that is included in the bid price; there are no extra out-of-pocket costs for the Township. Mr. Dancer thanked Mr. Chilton.

There were no further questions from the MUA.

Chairman asked for a motion from the MUA to accept the recommendation of Gabel Associates to award the residential portion of the bid taken today and re-advertise for the commercial and municipal account portion.

Mr. Chilton said the overall Township-wide savings, assuming the Governing Body awards the contract, would be approximately \$400,000.000. Bronson said that was a point well made. Another point is that Plumsted Township, assuming the Township Committee authorizes tonight, will be the first Township in the State to do government energy aggregation and everyone is proud of that.

**A MOTION WAS MADE BY MUA MEMBER WEIRSKY AND SECONDED BY MUA MEMBER MINTER TO ACCEPT GABEL ASSOCIATES' RECOMMENDATION TO ACCEPT THE BID FOR CONEDISON SOLUTIONS AND TO REBID THE COMMERCIAL AND MUNICIPAL AND LIGHTING CONTRACT AS A RECOMMENDATION TO THE GOVERNING BODY. ROLL CALL VOTE: ALL AYES.**

MUA Chairman Bronson turned the meeting over to the Township Committee.

Committeeman Trotta asked if there were any comments or questions from the Township Committee.

Committeeman Wysong said he was surprised there were only 12 businesses that opted in. He asked Mr. Chilton what was done to invite businesses in and what can be done to invite more businesses in if the project is rebid. Chilton turned the question to CALL (last name unknown) who was responsible for the marketing to the businesses. CALL said they sent out two letters to the businesses and personally visited all the businesses in town twice. They had very good reception from all of the businesses and they too were surprised with the results. Wysong asked if they envisioned visiting the businesses again if it is decided to go out to bid for commercial.

Committeeman Marinari thanked everyone involved as this has been an extensive process with some ups and downs. Marinari thanked Peter Ylvisaker for all he has done with this. Without Peter this would have been a null process, he should be appreciated for all he has done. Marinari thanked the MUA for all of the time they have spent; it has been a long process but it has come to a very rewarding result for the taxpayers of the town. Any savings in this day is a savings well needed. Committeeman Wysong echoed those comments.

Committeeman Trotta asked if the Deputy Mayor had any questions. Sorchik said he has had the opportunity to review the memorandum from Gabel Associates and it is very thorough. Sorchik wanted to recognize Peter and the MUA. They did an outstanding job.

Committeeman Trotta thanked everyone for their hard work on this. Trotta asked in their judgment in the last six weeks, would the bid today been higher than it was six weeks ago, about the same or a little lower. Chilton said the bid today was probably a smidge higher as energy prices have drifted up modestly but this is still very low. Trotta said he had spoken to an energy company six weeks ago. They gave him a quote and he wanted to compare that number to what was received today. It was about 2 cents lower than what Gabel got today. Chilton said these specifications were geared for residential service. There are rules that are applicable for residential. There are a lot of bells and whistles that you wouldn't see in a typical bid specification for municipal accounts. He agreed there is no question there should be a much better price for the municipal accounts.

Committeeman Trotta asked for any additional comments from the Committee. There were none.

Committeeman Trotta asked for a motion to approve Resolution No. 2012-275.

ON MOTION OF COMMITTEEMAN WYSONG, SECONDED BY DEPUTY MAYOR SORCHIK, RESOLUTION NO. 2012-275, A RESOLUTION OF THE TOWNSHIP OF PLUMSTED, COUNTY OF OCEAN, STATE OF NEW JERSEY, AUTHORIZING THE AWARD OF A CONTRACT TO A THIRD PARTY POWER SUPPLIER TO PROVIDE ELECTRIC GENERATION SERVICE TO PLUMSTED COMMUNITY ENERGY AGGREGATION (PCEA) PROGRAM PARTICIPANTS AND TO PROVIDE THE GOVERNMENT ENERGY AGGREGATION SERVICES IN CONNECTION WITH THE PCEA PROGRAM PURSUANT TO N.J.A.C. 14:4-6, WAS ADOPTED. ROLL CALL VOTE: ALL AYES.

Trotta asked for any further comments from the Township Committee or MUA at this time, there were none. Trotta asked for public comments.

Lynn Erickson of Kenyon Drive said they want to participate but they have an energy saver meter and asked if that would be a problem. She was told no and she asked if this service would continue. Mr. Chilton said there would be one straight rate but they are eligible and they will save.

Resident Janet Johnson spoke of a phone call she had received about a year ago offering reduced rates and gave them the necessary information. She hadn't heard anything from them and then received another call about four months later and they wanted additional information. She said she wasn't comfortable and told them to stop everything. She contacted JCP&L who told her no changes had been done on their end. She was also told by JCP&L you just can't change suppliers, you have to go through them to make the change. Johnson asked if this was the process. Chilton explained an agreement has been drafted with JCP&L to provide the service that has already been authorized by the governing body.

Municipal Clerk, Dorothy Hendrickson, asked if a change to a third party supplier had already taken place. Mr. Chilton said somewhere around 10 to 15% have already done that. What happens next is JCP&L will be notified of the contract awarded to ConEdison. Within 10 days JCP&L will provide Gabel with all of the names, addresses and account numbers for all of the resident customers who have not switched to a third party supplier. There are different contracts and terms of contracts. Initial eligibility is for customers who have not yet switched or opted out. However, when a contract expires or if you can get out of your contract without

penalties, customers would have an opportunity to enroll. ConEdison will periodically go back to JCP&L to get a list of any additional customers who have relinquished their third party supply contract and then they would have the opportunity to join in the program at the same contract rights and terms. Wysong asked if the PMUA or JCP&L would be notified. Chilton said a system would be in place where every three months ConEdison would go back to JCP&L to get a current list of customers who are not with a third party supplier. That will sweep new residents or folks who have expired contracts. Wysong suggested that when a press release is done, it should include language to let residents with a third party know what they can do.

Denny Erickson asked how long the contract was. He was told it is a 12-month contract with fixed prices for the full term with no changes. After that they would have to rebid.

Mike McCue, former Chairman of the MUA and Township Committeeman, wanted to first congratulate the MUA on what they have done here. They did solid waste in 2012 and he can't wait to see what they do next year. He also wanted to make the point that while he was on the MUA, Peter Ylvisaker was an invaluable resource in getting a lot of things done and he deserves a lot of credit for many of the programs that have been implemented here. McCue made a suggestion to the Township Committee. He said it was his understanding that this law had been on the books for 10 years and here you have a rural bedroom community that is the first in the State to implement this. He said we should go back to the legislature and ask them to revisit this. There are some issues relating to why this took 10 years to implement so he suggested the legislature go back and look at this law and some others.

Committeeman Trotta asked for any additional comments. There were none.

ON MOTION OF COMMITTEEMAN MARINARI, SECONDED BY COMMITTEEMAN WYSONG THE MEETING WAS ADJOURNED. ROLL CALL VOTE: ALL AYES.

The meeting of the PMUA was also adjourned.

Respectfully submitted,

Dorothy J. Hendrickson, RMC  
Municipal Clerk