



ATTENTION: ACES MEMBERS IN ATLANTIC CITY ELECTRIC SERVICE TERRITORY

SUBJECT: AWARD OF NEW ELECTRIC SUPPLY CONTRACT – DECEMBER 2018 START DATE

We are pleased to announce that ACES has recently completed its latest electric supply competitive bid process for members in ACE territory. Contracts were awarded to East Coast Power and Gas and Plymouth Rock Energy that will commence in December 2018.

The Alliance for Competitive Energy Services (ACES) is the largest energy purchasing cooperative in the State of New Jersey, creating significant purchasing power for participating school districts. Our current electric supply contracts with South Jersey Energy which covers your school and administrative facilities, and Constellation NewEnergy, which covers any street or outdoor lighting accounts you have, are due to expire in December 2018. Accordingly, your district and nearly 400 other ACES-participating local school districts recently passed resolutions re-committing to the ACES program, and several weeks ago ACES issued a Request for Bids (RFB) for new electric supply contracts. The RFB requested pricing for either a 12-month or 24-month contract starting in December 2018, concurrent with the expiration of your current ACES electric supply contract. The ACES member electric accounts in ACE territory were aggregated into separate bid groups, with accounts for facilities such as schools and administrative buildings which represent the vast majority of your electricity usage bid separately from street and outdoor lighting accounts.

Bids were received on November 7, 2018. The result of the bid was that the low bid prices received are substantially lower than the projected ACE tariff price for power supply. In addition, the bid prices for the 24-month contract term were more attractive than the bids for the 12-month contract term. Accordingly, ACES determined that it was in the participating districts' interest to award a 24-month contract to the low bidder, East Coast Power and Gas (ECPG) for your school and administrative facility accounts, and to the low bidder Plymouth Rock Energy for your street and outdoor lighting accounts.

Contract Details:

1. Atlantic City Electric electric accounts on the utility's General Service tariffs (comprising your school and administrative facilities that represent the vast majority of your electricity usage) were awarded for a 24-month term, beginning December 2018 and ending December 2020, to East Coast Power and Gas (ECPG). Savings compared to the utility tariff prices for power supply are estimated to be approximately 11%.
2. Atlantic City Electric electric accounts on the utility's street and area lighting tariffs were awarded for a 24-month term, beginning December 2018 and ending December 2020, to Plymouth Rock Energy (Plymouth). Savings compared to the utility tariff prices for power supply are estimated to be approximately 12%.
3. You will receive a notice in November from the utility that the current suppliers, South Jersey Energy (SJE) and Constellation NewEnergy (CNE), are dropping your accounts effective in

December, and you will receive your final bills from SJE and CNE in late December or early January.

4. You will receive a notice from Atlantic City Electric in mid-to-late November that East Coast Power and Gas and Plymouth Rock Energy have enrolled your accounts for electric supply service beginning in December 2018.
5. ECPG and Plymouth will bill you on a 'consolidated billing' basis, meaning that their supply charges will appear on your Atlantic City Electric bill, starting with your January 2019 bills. If any of your individual bills are in arrears with the utility and are therefore not eligible for 'consolidated billing' by Atlantic City Electric, you would receive a separate bill(s) from ECPG and/or Plymouth for that individual account(s).

There is no action you need to take to have your accounts transitioned to the new ACES supplier. The notices that you will receive from the utility about the switch in suppliers are purely advisory in nature.

Please be assured that during these transitions there will be no impact on the electric service received by your schools and other facilities. Atlantic City Electric is and will remain the delivery company responsible for delivering electricity to all of its customers, regardless of who the supplier is, at rates regulated by the NJ Board of Public Utilities.

Finally, the bid specifications provided our members with the opportunity to obtain electric generation service with a greater percentage of renewable resources (referred to as "green power") than required under the State's Renewable Portfolio Standards (RPS). While the standard product being provided by the ACES power suppliers will consist of about 24% renewable energy as mandated by the RPS over the 24-month contract term, the voluntary ACES enhanced renewable energy product will consist of 40% renewable energy. This *voluntary* enhanced renewable energy product has been designed to comply with (and in fact exceed) the Sustainable Jersey for Schools (SJ4S) action which will provide ten point toward SJ4S certification. The cost of this enhanced product is minimal; selection of the ACES enhanced renewable energy product will result in a \$.00175 per kilowatt-hour premium over the standard ACES contract price, which translates to only about 2% premium over the standard ACES contract price (therefore, even with the added renewable content you would still see cost savings as compared to the utility tariff price).

This renewable energy product is strictly voluntary. If you wish to receive this enhanced renewable energy product, you must affirmatively opt-in. If you do nothing, you will receive the standard power supply product at the awarded contract price. You have until December 7, 2018 to let us know if you wish to select the enhanced renewable energy product.

As always, if you would like to discuss further in order to fully explain these changes to your board, feel free to be in touch.

Carol
T 732-296-0770



Carol Friedman
Energy Aggregation Administrator
Gabel Associates
732.296.0770
carol.friedman@gabelassociates.com

