



## Sustainable Energy Alliance Energy Procurement Cooperative Update

**February 2023  
UPDATE**

**As you may be aware, the Borough of Glen Rock (“Borough”) is a member of the Sustainable Essex Alliance Energy Procurement Cooperative (“SEAEPC or SEA”) in which the following seven member municipalities collectively procure energy on behalf of their residents: Maplewood, Glen Ridge, Montclair, Verona, Livingston, South Orange and Glen Rock. The SEA launched its second-round program in 2020, under which it signed a contract with Energy Harbor, LLC. This 17-month contract, from April 2021 through September 2022, provided participating residents with power supply that contained enhanced renewable energy content, while also providing some savings on monthly electric bills. The SEA sought bids in Spring 2022 to procure an additional contract for a Round III program. Unfortunately, due to skyrocketing energy market prices, we were unable to obtain favorable pricing at that time to procure a new supply contract. All SEA participants were returned to PSE&G basic generation service (“BGS”) supply, the current lowest cost option, effective September 2022. The SEA and its energy agent, Gabel Associates, Inc., have been closely monitoring the energy market for savings opportunities since last spring. The SEA will go back out to market as soon conditions warrant and will notify residents if and when a new contract is signed, and the program is again active. Please monitor the Borough’s website for any updates. See below for further details.**

In 2020, the Township of Maplewood, as lead agent for the SEA, launched the second round of the program, (“SEA Round 2”), to create purchasing leverage that provided an opportunity for Borough residents to save some money on their electric bills while improving the Borough’s carbon footprint. Through a competitive procurement process conducted by the SEA in fall 2020, a contract was awarded in November 2020 to the low bidder, Energy Harbor, LLC (“Energy Harbor”). Energy Harbor provided electric supply service under this contract to participating Glen Rock Borough residents for 17 months, from April 2021 through

September 2022, resulting in some savings vs. the price being charged by Public Service Electric and Gas (“PSE&G”) for the power supply portion of resident electric bills, coupled with 40% renewable energy content, a level nearly double the State-mandated minimum requirements in place at the time. The 17-month contract with Energy Harbor expired in September 2022.

As you are most likely well aware, there have been significant increases in energy market prices since the Borough went out to bid in November 2020. Energy price increases have made it considerably more difficult to obtain favorable bid pricing for a third round of the SEA. The SEA conducted a competitive bid process in May 2022 for a new contract under Round III of the SEA program. However, the bid prices came in much higher than PSE&G’s tariff prices and therefore did not produce any savings to justify the award of a new contract. The SEA concluded that it was in residents’ best interests in the short-term, to be returned to PSE&G Basic Generation Service for power supply at the end of the contract with Energy Harbor. There was nothing residents had to do to initiate their return to PSE&G BGS, as the switch back to PSE&G was addressed behind the scenes by Energy Harbor and was therefore a seamless process to residents. The SEA has committed to resoliciting bids at a later date when market conditions improve.

The SEA has been monitoring market conditions since the prior contract completed, in consultation with its energy consultant, Gabel Associates, Inc. Energy market prices continued to escalate through much of 2022, before a rather mild start to the winter has more recently resulted in some improvement in energy market conditions (although prices remain significantly higher than a couple of years ago). On the energy consultant’s recommendation, the SEA is awaiting the announcement in Spring 2023 of the utility’s (PSE&G) next wholesale power auction and the resultant retail tariff prices for the coming year (utility tariff prices run on an annual cycle from June 1<sup>st</sup> through May 31<sup>st</sup>). Once those results and new prices are announced, the SEA will be better able to assess whether there is a renewed opportunity for this program.

If energy market conditions look to have improved at that time, steps will be taken to begin a new competitive bid process. If a future bid results in competitive pricing and the SEA awards a new contract for Round III, the new contract would most likely start in mid-to-late 2023. In such event, eligible Borough residents (all residents except those that have their own solar generating system or their own third party supply contract, or those residents who have requested to be placed on the program’s ‘Do Not Disturb’ list), will be sent a mailing informing them of the details of the new contract, after which residents would have the choice of opting-out of the new program if they do not wish to participate. Again, no further action will be necessary for residents who want to participate in the GEA program.

We appreciate your understanding and look forward to working diligently with our consultant in the near future to achieve GEA supply options for our residents. Should you have any further questions, please feel free reach out to Gabel Associates at [SEA-info@gabelassociates.com](mailto:SEA-info@gabelassociates.com).