

Benefits of Joining the South Jersey Power Co-Op (SJPC)

◆ Introduction

Energy load aggregation for electricity and/or natural gas is the process by which local government agencies join in a Cooperative to secure more competitive prices than they might otherwise receive working independently. Becoming a member of the SJPC can be accomplished through a very simple process of providing basic energy account information and establishing a resolution to participate in the upcoming RFB for Electric Supply Service. Currently we are opening up the Cooperative to new members for participation.

The SJPC sought a joint bid for electric supply service in 2017 and awarded a 1-year electric supply contract to multiple suppliers which will expire in September 2018. Due to the substantial volume and load diversity of our group, the SJPC expects continued success with securing the most competitive electric pricing possible.

The County of Camden Board of Chosen Freeholders adopted a resolution establishing South Jersey Power CPS - Energy Aggregation (SJPC) for the purchase of electricity and natural gas commodity as set forth by N.J.A.C. 5:34-7.19. This resolution has been duly filed with the Department of Community Affairs.

◆ Lower Transaction Costs/Scale Economies

Buying energy through a competitive bid process on the open market has become a risky and complicated process. With dozens of retail energy suppliers offering a confusing patchwork of contract terms, weighing the merits of competing bids can be a daunting task, especially for local government agencies that have limited experience in electric procurement strategies. While most local government agencies expect to pay less for electricity in deregulated markets, poorly defined bid terms and contracts, defaulting suppliers, and failure to understand the "fine print" have actually resulted in higher energy costs in many cases.

Energy load aggregation creates economies of scale by making it possible for local government agencies to pool their energy load with like agencies which can save time and resources. The local government agency will be able to realize savings by engaging the shared services of the SJPC and Concord Energy Services who have extensive experience in designing and developing the bid specifications and contracts, managing the RFB process, and providing ongoing customer service support with the awarded supplier. By deploying a higher level of expertise in the energy procurement process, the local government agency will typically enjoy more competitive rates, savings and lower transaction costs than they could achieve working independently.

◆ Conclusion

Energy load aggregation is one of the most effective means of achieving savings and mitigating risks in today's emerging energy markets. The challenge lies in finding a suitable cooperative partner and a NJBPU-licensed Energy Aggregator specialist capable of analyzing the load data, developing and administering the RFB process, and providing ongoing management and monitoring services on behalf of the cooperative. It is important to note, that pricing for participating members of an aggregate group may vary depending on individual load factors, cost of service and RFB objectives. Joining the SJPC and participating in the upcoming Electric Supply Service RFB can be a powerful cost-reduction tool for local government agencies.

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