[Third Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, No. 2165**

STATE OF NEW JERSEY 210th LEGISLATURE

ADOPTED MAY 16, 2002

Sponsored by: Assemblyman JOHN J. BURZICHELLI District 3 (Salem, Cumberland and Gloucester) Assemblyman DOUGLAS H. FISHER District 3 (Salem, Cumberland and Gloucester) Assemblywoman LINDA R. GREENSTEIN District 14 (Mercer and Middlesex)

Co-Sponsored by: Assemblyman Guear, Senators Sweeney and Inverso

SYNOPSIS

Revises process for governmental energy aggregation.

CURRENT VERSION OF TEXT

As amended by the Senate on December 16, 2002.



(Sponsorship Updated As Of: 12/17/2002)

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AN ACT concerning government energy aggregation, amending ^{2}and 1 supplementing² P.L.1999, c.23, and repealing section 44 of 2 P.L.1999, c.23. 3 4 5 **BE IT ENACTED** by the Senate and General Assembly of the State 6 of New Jersey: 7 ²<u>1. (New section) A government aggregator that is a municipality</u> 8 9 or a county may establish and operate a government energy 10 aggregation program pursuant either to the provisions of the rules and 11 regulations adopted by the Board of Public Utilities pursuant to section 2 of P.L., c. (C.)(pending in the Legislature as this 12 13 bill) or to the provisions of P.L.1999, c.23 (C.48:3-49 et seq). As used in this section "government aggregator" and "government energy 14 15 aggregation program" shall have the same meaning as set forth in section 3 of P.L.1999, c.23 (C.48:3-51).² 16 17 ²<u>2. a. (New section) The</u> ³[Board of Public Utilities shall adopt, 18 pursuant to the]³ provisions of the "Administrative Procedure Act," 19 20 P.L.1968, c.410 (C.52:14B-1 et seq.) ³to the contrary notwithstanding³, ³within 90 days of the effective date of P.L., c. 21 (C.)(pending in the Legislature as this bill) the Board of Public 22 Utilities shall adopt³ rules and regulations authorizing an electric 23 public utility or a gas public utility, upon the request of the governing 24 25 body of a county or municipality, to assist a government aggregator that is a municipality or a county in establishing a government energy 26 aggregation program. ³The rules and regulations adopted pursuant to 27 28 this section shall be effective as rules and regulations immediately 29 upon filing with the Office of Administrative Law and shall be effective 30 for a period not to exceed 18 months, and shall, thereafter, be 31 amended, adopted or readopted by the board pursuant to the provisions of the "Administrative Procedure Act."³ The rules and 32 33 regulations adopted pursuant to this section shall set forth a process for the establishment of a government energy aggregation that (1) 34 35 requires a government aggregator that is a municipality or a county to establish a government energy aggregation program by ordinance or 36 resolution, as appropriate, and to award a contract for the government 37 energy aggregation program to a licensed electric power supplier or 38 licensed gas supplier pursuant to the "Local Public Contracts Law," 39 P.L.1971, c.198 (C.40A:11-1 et seq.)³, provided, however, that such 40

EXPLANATION - Matter enclosed in **bold-faced** brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined <u>thus</u> is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted September 19, 2002.

² Senate SEG committee amendments adopted December 12, 2002.

³ Senate floor amendments adopted December 16, 2002.

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an award may be made on the basis of the most advantageous 1 proposal, price and other factors considered³; (2) includes residential 2 3 customers on an opt-out basis prior to the solicitation of bids from a 4 licensed electric power supplier or licensed gas supplier and non-5 residential customers on an opt-in basis; (3) requires an electric public 6 utility or gas public utility, as the case may be, to notify utility customers, after the adoption of an ordinance or resolution, of the 7 8 proposed government energy aggregation program and of the 9 customer's right to decline to participate in the program; (4) requires 10 an electric public utility or a gas public utility, as the case may be, to 11 provide appropriate customer information to a government aggregator 12 that is a municipality or a county after the government aggregator has 13 awarded a contract for a government energy aggregation program to 14 a licensed electric power supplier or licensed gas supplier, as the case 15 may be; (5) provides that an electric public utility or a gas public 16 utility shall exercise reasonable care in the disclosure of customer 17 information pursuant to this section but shall not be responsible for errors ³[of] or³ omissions in the preparation or the content of the 18 19 customer information; (6) provides that an electric public utility or gas 20 public utility shall not disclose to any governing body, licensed electric 21 power supplier or licensed gas supplier the name, load profile, or any 22 other customer information about a non-residential customer prior to 23 that non-residential customer opting in to the government energy 24 aggregation program; and (7) authorizes electric public utilities and 25 gas public utilities to prioritize requests made by governing bodies 26 pursuant to this section. 27 b. The rules and regulations adopted by the board pursuant to this 28 section shall provide for the recovery by an electric public utility or a 29 gas public utility of all reasonable costs incurred by the electric public 30 utility or gas public utility in implementing a government energy 31 aggregation and all reasonable costs incurred in assisting a governing 32 body considering a government energy aggregation program. The 33 rules and regulations shall provide that the costs allowed to be 34 recovered pursuant to this subsection shall be recovered on a timely 35 basis from the governing body or government energy aggregator that 36 is a municipality or a county, as the case may be. No electric public 37 utility or gas public utility shall be required to seek recovery of costs 38 for a government energy aggregation program or costs for assisting 39 a governing body considering a government energy aggregation 40 program from the electric public utility's or gas public utility's 41 shareholders or ratepayers. 42 c. As used in this section "government aggregator," "government 43 energy aggregation program," "electric power supplier" and "gas 44 supplier" shall have the same meaning as set forth in section 3 of

45 <u>P.L.1999, c.23 (C.48:3-51).</u>²

1 2 [1.] <u>3.</u>² Section 36 of P.L.1999, c.23 (C.48:3-85) is amended to 2 read as follows:

3 36. a. Notwithstanding any provisions of the "Administrative 4 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, 5 the board, in consultation with the Division of Consumer Affairs in the 6 Department of Law and Public Safety, shall initiate a proceeding and 7 shall adopt, after notice, provision of the opportunity for comment, 8 and public hearing, interim consumer protection standards for electric 9 power suppliers or gas suppliers, within 90 days of February 9, 1999, including, but not limited to, standards for collections, credit, 10 11 contracts, authorized changes of an energy consumer's electric power supplier or gas supplier, for the prohibition of discriminatory 12 13 marketing, for advertising and for disclosure. Such standards shall be 14 effective as regulations immediately upon filing with the Office of 15 Administrative Law and shall be effective for a period not to exceed 18 months, and may, thereafter, be amended, adopted or readopted by 16 17 the board in accordance with the provisions of the "Administrative 18 Procedure Act."

19 (1) Contract standards shall include, but not be limited to, 20 requirements that electric power supply contracts or gas supply 21 contracts must conspicuously disclose the duration of the contract; 22 state the price per kilowatt hour or per therm or other pricing 23 determinant approved by the board; have the customer's written 24 signature; the customer's electronic signature; an audio recording of 25 a telephone call initiated by the customer; independent, third-party verification, in accordance with section 37 of P.L.1999, c.23 26 27 (C.48:3-86), of a telephone call initiated by an electric power supplier, 28 gas supplier or private aggregator; or such alternative forms of 29 verification as the board, in consultation with the Division of 30 Consumer Affairs, may permit for switching electric power suppliers 31 or gas suppliers and for contract renewal; and include termination 32 procedures, notice of any fees, and toll-free or local telephone 33 numbers for the electric power supplier or gas supplier and for the 34 board.

35 (2) Standards for the prohibition of discriminatory marketing
36 standards shall provide at a minimum that a decision made by an
37 electric power supplier or a gas supplier to accept or reject a customer
38 shall not be based on race, color, national origin, age, gender, religion,
39 source of income, receipt of public benefits, family status, sexual
40 preference, or geographic location. The board shall adopt reporting
41 requirements to monitor compliance with such standards.

42 (3) Advertising standards for electric power suppliers or gas 43 suppliers shall provide, at a minimum, that optional charges to the 44 consumer will not be added to any advertised cost per kilowatt hour 45 or per therm, and that the only unit of measurement that may be used 46 in advertisements is cost per kilowatt hour or per therm, unless 5

otherwise approved by the board. If an electric power supplier or gas supplier does not advertise using cost per kilowatt hour or per therm, the electric power supplier or gas supplier shall provide, at the consumer's request, an estimate of the cost per kilowatt hour or per therm. Any optional charges to the consumer shall be identified separately and denoted as optional.

7 (4) Credit standards shall include, at a minimum, that the credit 8 requirements used to make offer decisions must be the same for all 9 residential customers and that electric power suppliers, gas suppliers 10 and private aggregators not impose unreasonable income or credit 11 requirements.

(5) Billing standards shall include, at a minimum, provisions
prohibiting electric public utilities, gas public utilities, electric power
suppliers and gas suppliers from charging a fee to residential
customers for either the commencement or termination of electric
generation service or gas supply service.

(1) ²[An] Except as provided in paragraph (2) of this 17 b. subsection, an² electric power supplier, a gas supplier, an electric 18 public utility, and a gas public utility shall not disclose, sell or transfer 19 20 individual proprietary information, including, but not limited to, a 21 customer's name, address, telephone number, energy usage and electric 22 power payment history, to a third party without the ¹[written]¹ consent of the customer ²[, provided, however, that a customer's 23 24 name, address and current electric power supplier or gas supplier or 25 electric or gas public utility, may be so conveyed to an electric power 26 supplier, a gas supplier, an energy agent, a government aggregator that 27 is a municipality, or any combination thereof, without such consent, 28 for the purposes of entering into a municipal aggregation contract 29 pursuant to sections 42, 43 and 45 of P.L.1999, c.23 (C.48:3-91 et al)]². 30

31 $^{2}(2)$ (a) An electric public utility or a gas public utility may disclose 32 and provide, in an electronic format, which may include a CD rom, 33 diskette, and other format as determined by the board, without the 34 consent of a residential customer, a residential customer's name, rate 35 class, and account number, to a government aggregator that is a 36 municipality or a county, or to an energy agent acting as a consultant 37 to a government aggregator that is a municipality or a county, if the 38 customer information is to be used to establish a government energy 39 aggregation program pursuant to sections 42, 43 and 45 of P.L.1999, 40 c.23 (C.48:3-91; 48:3-92; and 48:3-94). The number of residential 41 customers and their rate class, and the load profile of non-residential 42 customers who have affirmatively chosen to be included in a 43 government energy aggregation program pursuant to paragraph (3) of 44 subsection a. of section 45 of P.L.1999, c 23 (C.48:3-94) may be 45 disclosed pursuant to this paragraph prior to the request by the 46 government aggregator for bids pursuant to paragraph (1) of

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subsection b. of section 45 of P.L.1999, c.23 (C.48:3-94), and the 1 2 name, address, and account number of a residential customer and the 3 name, address and account number of non-residential customers who 4 have affirmatively chosen to be included in a government energy aggregation program pursuant to paragraph (3) of subsection a. of 5 section 45 of P.L.1999, c. 23 (C.48:3-94) may be disclosed pursuant 6 to this paragraph upon the awarding of a contract to a licensed power 7 8 supplier or licensed gas supplier pursuant to paragraph (2) of 9 subsection b. of section 45 of P.L.1999, c.23. Any customer 10 information disclosed pursuant to this paragraph shall not be 11 considered a government record for the purposes of, and shall be exempt from the provisions of P.L.2001, c.404. 12 13 (b) An electric public utility or a gas public utility disclosing 14 customer information pursuant to this paragraph shall exercise 15 reasonable care in the preparation of this customer information, but shall not be responsible for errors ³[of] or³ omissions in the 16 preparation or the content of the customer information. 17 (c) Any person using any information disclosed pursuant to this 18 paragraph for any purpose other than to establish a government energy 19 aggregation program pursuant to sections 42, 43 and 45 of P.L.1999, 20 c.23 (C.48:3-91; 48:3-92; and 48:3-94) shall be subject to the 21 22 provisions of section 34 of P.L.1999, c.23 (C.48:3-83). 23 (d) The role of an electric public utility or a gas public utility in a government energy aggregation program established pursuant to 24 P.L.1999, c. 23 shall be limited to the provisions of this paragraph.² 25 2 [(2)] (3)² Whenever [such] <u>any</u> individual proprietary 26 27 information is disclosed, sold or transferred, [upon the written consent of the customer] pursuant to paragraph (1) 2 or paragraph (2) 2 of 28 subsection b. of this section, it [may] shall be used only for the 29 30 provision of continued electric generation service, electric related 31 service, gas supply service or gas related service to that customer. In 32 the case of a transfer or sale of a business, customer consent shall not 33 be required for the transfer of customer proprietary information to the 34 subsequent owner of the business for maintaining the continuation of 35 such services. 2 [(3)] (4)² Notwithstanding any provisions of the "Administrative" 36 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, 37 38 the board shall, within 90 days of the effective date of P.L., c. 39 (C.) (now before the Legislature as this bill), review existing 40 regulations including, without limitation, Chapter 4 of Title 14 of the 41 New Jersey Administrative Code (Energy Competition Standards), to 42 determine their consistency with the provisions of ²[paragraph (1) of subsection b. of this]² section ²36 of P.L.1999, c.23 (C.48:3-85), 43 section 43 of P.L.1999, c.23 (C.48:3-92) and section 45 of P.L.1999, 44 45 c.23 (C.48:3-94)², shall repeal or modify any regulations that are 46 inconsistent with the provisions thereof and shall adopt regulations and

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1 standards implementing the provisions thereof permitting disclosure of 2 customer information without the consent of the customer including, 3 without limitation, provisions for the development of a board-4 approved agreement between the disclosing party and the receiving party and the creation of a mechanism for the recovery by the 5 6 disclosing electric public utility or gas public utility of its reasonable incremental costs of providing such information ²if such costs are not 7 covered in an existing third party supplier agreement². 8 $[(2)]^{2}[(4)](5)^{2}$ An electric power supplier, a gas supplier, a gas 9 public utility or an electric public utility may use individual proprietary 10 information that it has obtained by virtue of its provision of electric 11 12 generation service, electric related service, gas supply service or gas 13 related service to: 14 (a) Initiate, render, bill and collect for such services to the extent 15 otherwise authorized to provide billing and collection services; (b) Protect the rights or property of the electric power supplier, 16 17 gas supplier or public utility; and 18 (c) Protect consumers of such services and other electric power 19 suppliers, gas suppliers or electric and gas public utilities from 20 fraudulent, abusive or unlawful use of, or subscription to, such 21 services. 22 c. The board shall establish and maintain a database for the purpose of recording customer complaints concerning electric and gas 23 24 public utilities, electric power suppliers, gas suppliers, private 25 aggregators, and energy agents. d. The board, in consultation with the Division of Consumer 26 27 Affairs in the Department of Law and Public Safety, shall establish, or cause to be established, a multi-lingual electric and gas consumer 28 29 education program. The goal of the consumer education program shall 30 be to educate residential, small business, and special needs consumers 31 about the implications for consumers of the restructuring of the 32 electric power and gas industries. The consumer education program 33 shall include, but need not be limited to, the dissemination of 34 information to enable consumers to make informed choices among 35 available electricity and gas services and suppliers, ³[notification of residential electric and gas customers of the right to submit their 36 names to the board pursuant to paragraph (1) of subsection e. of this 37 section,]³ and the communication to consumers of the consumer 38 39 protection provisions of this act. 40 The board shall ensure the neutrality of the content and message 41 of advertisements and materials. The board shall promulgate standards for the recovery of consumer 42 43 education program costs from customers which include reasonable 44 measures and criteria to judge the success of the program in enhancing customer understanding of retail choice. 45

e. 2 [(1) Residential electric or gas customers may submit their names in writing to the board for inclusion on a list established by the

board of customers not wanting to receive telephone solicitations by

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4 electric power suppliers, gas suppliers or private aggregators. 5 (2) As a condition of licensing, pursuant to standards adopted by 6 the board, an electric power supplier, gas supplier or private 7 aggregator shall not engage in telephone solicitation of any residential 8 electric or gas customer, as appropriate, whose name is on the list 9 established by the board, pursuant to paragraph (1) of this subsection.](Deleted by amendment, P.L., c.)² 10 (cf: P.L.2001, c.242, s.2) 11 12 ²[2.] <u>4.</u>² Section 43 of P.L.1999, c.23 (C.48:3-92) is amended to 13 read as follows: 14 15 43. Government energy aggregation programs shall be subject to 16 the following provisions: 17 a. A contract between a government aggregator and a licensed 18 electric power supplier or licensed gas supplier shall include the 19 following provisions: 20 (1) The specific responsibilities of the government aggregator and 21 the licensed electric power supplier or licensed gas supplier; 22 (2) The charges, rates, fees, or formulas to be used to determine 23 the charges, rates or fees, to be charged to the energy consumers 24 electing to receive electric generation service or gas supply service 25 pursuant to the government energy aggregation program; 26 (3) The method and procedures to be followed by the licensed 27 electric power supplier or licensed gas supplier to [solicit the 28 affirmative and voluntary written consent of the consumer to participate in the government energy aggregation program including, 29 30 but not necessarily limited to, mechanisms to] enroll and educate 31 energy consumers concerning the provisions of the aggregation 32 program; 33 (4) The proposed terms and conditions of a standard contract 34 between energy consumers and the licensed electric power supplier or 35 licensed gas supplier including, but not necessarily limited to: 36 (a) The allocation of the risks in connection with the provision of 37 such services between the licensed electric power supplier or licensed 38 gas supplier and the energy consumers receiving such services; 39 (b) The terms of the proposed contract; 40 (c) The allocation of the risks associated with circumstances or occurrences beyond the control of the parties to the contract; 41 42 (d) Default and remedies; and 43 (e) The allocation of any penalties that may be imposed by any 44 electric public utility or gas public utility as a result of over-delivery 45 of electricity or gas, under-delivery of electricity or gas, or 46 non-performance by the licensed electric power supplier or licensed

1 gas supplier;

2 (5) The use of government aggregator resources, equipment,
3 systems or employees in connection with such services;

4 (6) The term of the contract with the government aggregator;

5 (7) A provision indemnifying and holding the government 6 aggregator harmless from all liabilities, damages and costs associated 7 with any contract between a resident of the government aggregator 8 and the licensed electric power supplier or licensed gas supplier;

9 (8) The requirements for the provision of a performance bond by 10 the licensed electric power supplier or licensed gas supplier, if so 11 required by the government aggregator;

12 (9) Procedures to ensure that participation in the aggregation 13 program is ¹[the result of an affirmative choice by energy 14 consumers]¹[, as evidenced by a written signature,] ¹[and is]¹ 15 consistent ¹with the provisions of this act and¹ with rules and 16 regulations adopted by the board;

(10) Terms and conditions applicable to consumer protection as
provided in rules and regulations adopted by the board, in consultation
with the Division of Consumer Affairs in the Department of Law and
Public Safety; ²[and]

21 (11) A requirement that certain communications between a
 22 licensed electric power supplier and a licensed gas supplier and a
 23 customer be in a non-English language, as appropriate; and²

24 ${}^{2}[(11)] (\underline{12})^{2}$ Such other terms and conditions as the government 25 aggregator deems necessary.

26 b. The award of a contract for a government energy aggregation program shall be based on the most advantageous ¹<u>proposal</u>¹, price 27 28 and other factors considered. The governing body shall only award a contract for service to residential customers where the rate is 1 <u>the</u> 29 same as or¹ lower than ² [that guaranteed by the State-mandated rate 30 reductions pursuant to section 4 of this act and]² the price of basic 31 generation service pursuant to section 9 of ²[this act] P.L.1999, c.23 32 (C.48:3-57), plus the pro-rata value of the cost of compliance with 33 34 the renewable energy portfolio standards imposed pursuant to this act derived from a non-utility generation contract with an electric public 35 utility and transferred by the electric public utility to a supplier of basic 36 generation service or basic gas supply service pursuant to section 10 37 of P.L.1999, c.23 (C.48:3-58)², as determined by the board. ²The 38 39 governing body may award a contract for electric generation service 40 where the rate is higher than the price of basic generation service as 41 determined by the board pursuant to section 9 of P.L.1999, c.23, plus 42 the pro-rata value of the cost of compliance with the renewable energy 43 portfolio standards imposed pursuant to this act derived from a nonutility generation contract with an electric public utility and transferred 44 45 by the electric public utility to a supplier of basic generation service, provided that the award is for electricity ³the percentage of which³ 46

that is derived from verifiable Class I or Class II renewable energy as 1 2 defined pursuant to section 3 of P.L.1999, c.23 (C.48:3-51) ³ is greater than the percentage of Class I and Class II renewable energy required 3 4 pursuant to subsection d. of section 38 of P.L.1999, c.23 (C.48:3-87)³ , and that the customers are informed, in a manner determined by the 5 6 board secretary, that such a higher rate is under consideration by the governing body.² 7 c. No concession fees, finders' fees, or other direct monetary 8 9 benefit shall be paid to any government aggregator by, or on behalf of, 10 a licensed electric power supplier or licensed gas supplier or broker or energy agent as a result of the contract. 11 12 d. A licensed electric power supplier or licensed gas supplier shall 13 be subject to the prohibitions against political contributions in 14 accordance with the provisions of R.S.19:34-45. 15 e. [For any specific time period, a government aggregator may 16 enter into only one contract for the provision of electric generation service and one contract for the provision of gas supply service to the 17 consumers within its territorial jurisdiction.] ²[(Deleted by 18 amendment, P.L. c. (now before the Legislature as this bill) A 19 20 government aggregator may enter into more than one contract for the 21 provision of electric generation service and gas supply service, 22 provided, however that the governing body indicates in each contract 23 which is the default provider if a customer does not choose one of the providers.² 24 25 f. A county government acting as a government aggregator shall 26 not enter into a contract for the provision of a government energy 27 aggregation program that is in competition with any existing contract 28 of any government aggregator within its territorial jurisdiction. 29 (1) A county government may enter into a contract for a 30 government energy aggregation program only if one or more 31 constituent municipalities in the county adopt an ordinance authorizing 32 the county to enter into such a contract. 33 (2) A county government energy aggregation program shall only 34 be conducted for residential and business customers located within the 35 constituent municipalities that have approved participation in the 36 county's government energy aggregation program. 37 (cf: P.L.1999, c.23, s.43) 38 2 [3.] <u>5.</u>² Section 45 of P.L.1999, c.23 (C.48:3-94) is amended to 39 40 read as follows: 45. 2 <u>a. (1)</u>² A government aggregator that is a municipality or a 41 county may [, notwithstanding the provisions of section 44 of this act 42 43 to the contrary,] operate a [limited] government energy aggregation program that provides for the aggregation of [residential] 44 ¹residential¹ electric generation service or gas supply service [without 45 46 the initial, affirmative, voluntary, written consent of residential

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customers for electric generation service or gas supply service,]², non-

2 residential electric generation service or gas supply service on a 3 voluntary basis, and appliance repair services for residential and nonresidential customers on a voluntary basis,² either separately or 4 bundled, in accordance with the ²[following procedures:] provisions 5 of this section.² 6 ²[a. electric] (2) Electric² generation service or gas supply service 7 for [residential] ¹residential¹ customers within the municipality or 8 9 county²and for non-residential customers on a voluntary basis, and for appliance repair services for residential and non-residential customers 10 on a voluntary basis,² may be aggregated together with electric 11 generation service, electric related service, gas supply service or gas 12 13 related service, either separately or bundled, for the government 14 aggregator's own facilities or with other government aggregators, 15 provided that [: (1)] ²[the] <u>each</u>² governing body adopts an ordinance in the case 16 of a municipality, or resolution in the case of a county, ²after notice 17 and public hearing,² indicating its intent to solicit bids for the 18 provision of electric generation service or gas supply service, either 19 separately or bundled [, without the affirmative, voluntary written 20 consent of the residential customer], ²and for appliance repair services 21 22 on a voluntary basis at a separate price and by separate bid solicitation, as the case may be,² which approval shall require passage by a 23 majority ²[plus one]² vote of the full membership of the governing 24 25 body **[**; 26 (2) within 15 days of the adoption of such an ordinance or resolution, as appropriate, the governing body provides notice, in a 27 28 form as determined by the board, to its residential customers advising 29 them of their individual right to affirmatively decline participation in 30 the government energy aggregation program, and providing 30 days 31 for residential customers to respond in writing to the governing body 32 of their decision to affirmatively decline participation in the 33 government energy aggregation program; and 34 (3) upon expiration of the 30-day period required pursuant to 35 paragraph (2) of subsection a. of this section, the governing body shall 36 determine the number and identity of residential customers who did 37 not affirmatively decline to participate in the government energy aggregation program]. 38 39 $^{2}(3)$ If an ordinance or resolution adopted pursuant to paragraph 40 (2) of this subsection would include non-residential customers in a 41 government energy aggregation program on a voluntary basis, the adoption of the ordinance or resolution shall be accompanied by a 42 43 public notice that non-residential customers will be included in the 44 government energy aggregation program if they contact the 45 appropriate governing body within 30 days of the adoption of the

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1 ordinance or resolution stating their affirmative choice to be included 2 in the government energy aggregation program. 3 (4) (a) If an ordinance or resolution adopted pursuant to paragraph 4 (2) of this subsection would include appliance repair services for residential or non-residential customers on a voluntary basis at a 5 6 separate price and by separate bid solicitation, the adoption of the 7 ordinance or resolution shall be accompanied by a public notice that 8 residential or non-residential customers may receive appliance repair 9 services if they contact the appropriate governing body within 30 days 10 of the adoption of the ordinance or resolution stating their affirmative 11 choice to receive appliance repair services under the government 12 energy aggregation program. 13 (b) The Board of Public Utilities shall adopt, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et 14 15 seq.), rules and regulations determining the manner in which electric related services and gas related services, other than appliance repair 16 17 services, shall be included in government energy aggregation 18 programs. 19 (5) A government energy aggregation program shall be structured 20 to provide that each residential or non residential customer, as the case 21 may be, shall receive electric generation service or gas supply service 22 from one licensed electric power supplier or one licensed gas supplier, 23 as the case may be. (6) Any residential or non-residential customer receiving electric 24 25 generation service or gas supply service from a licensed electric power 26 supplier or a licensed gas supplier prior to the establishment of a 27 government energy aggregation program pursuant to this section shall 28 be exempt from a government energy aggregation program established 29 pursuant to this section. Under no circumstance shall a residential or 30 non-residential customer's affirmative choice to be included in a 31 government energy aggregation program abrogate the existing terms 32 of an electric power or gas supply contract between a non-residential 33 customer and a licensed electric power supplier or licensed gas 34 supplier.² 35 b. (1) The governing body shall commence public bidding pursuant to the provisions of the "Local Public Contracts Law," P.L.1971, 36 37 c.198 (C.40A:11-1 et seq.) to receive bids from a licensed electric 38 power supplier or licensed gas supplier, as appropriate, for electric generation service or gas supply service ²at one or more projected 39 40 load levels², either separately or bundled, for [those residential] 41 customers [who did not affirmatively decline to participate in the 42 government energy aggregation program pursuant to paragraph (2) of subsection a. of this section,] within the municipality or county 2 , and 43 44 if appropriate, for any appliance repair services at a separate price and by separate bid solicitation,² and for electric generation service, 45 electric related service, gas supply service or gas related service, either 46

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1 separately or bundled, for the government aggregator's own facilities. 2 ²Thirty days prior to the commence of public bidding the governing 3 body shall transmit the bid notice and all bidding documents to the 4 board and the Division of the Ratepayer Advocate for review. The 5 board and the Division of the Ratepayer Advocate shall have 15 days to review the bid notice and bidding documents and provide comments 6 7 to the governing body, which may accept or reject the comments.² 8 (2) Upon receipt of the bids, the governing body shall evaluate the 9 proposals. The governing body shall select a licensed electric power supplier or licensed gas supplier, or both, based on the most 10 11 advantageous proposal, price and other factors considered. [The 12 governing body shall only select a licensed electric power supplier to 13 be awarded a contract for service where the rate is lower than that 14 guaranteed by the State-mandated rate reductions pursuant to section 15 4 of this act and the price of basic generation service pursuant to section 9 of this act.] ¹<u>The governing body shall only select a licensed</u> 16 electric power supplier ²or licensed gas supplier ²to be awarded a 17 contract for service where the rate is the same as or lower than ²[that 18 guaranteed by the State-mandated rate reductions pursuant to section 19 4 of P.L.1999, c.23 (C.48:3-52) and ² the price of basic generation 20 service pursuant to section 9 of P.L.1999, c.23 (C.48:3-57) plus the 21 22 pro-rata value of the cost of compliance with the renewable energy 23 portfolio standards imposed pursuant to this act derived from a non-24 utility generation contract with an electric public utility and transferred 25 by the electric public utility to a supplier of basic generation service 26 ²or basic gas supply service pursuant to section 10 of P.L.1999, c.23 (C.48:3-58), as determined by the board² $\frac{1}{2}$ ¹ ²The governing body may 27 28 award a contract for electric generation service where the rate is 29 higher than the price of basic generation service as determined by the 30 board pursuant to section 9 of P.L.1999, c.23 plus the pro-rata value of the cost of compliance with the renewable energy portfolio 31 32 standards imposed pursuant to this act derived from a non-utility 33 generation contract with an electric public utility and transferred by 34 the electric public utility to a supplier of basic generation service, provided that the award is for electricity ³the percentage of which³ 35 that is derived from verifiable Class I or Class II renewable energy as 36 defined pursuant to section 3 of P.L.1999, c.23 (C.48:3-51) ³is 37 greater than the percentage of Class I and Class II renewable energy 38 required pursuant to subsection d. of section 38 of P.L.1999, c.23 39 (C.48:3-87)³, and that the customers are informed, in a manner 40 41 determined by the board secretary, that such a higher rate is under 42 consideration by the governing body.² 43 c. Upon selection of a licensed electric power supplier or licensed 44 gas supplier, or both, pursuant to subsection b. of this section, the 45 governing body shall enter into a written agreement with the selected

46 licensed supplier. The written agreement shall include:

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(1) the contract with the selected licensed electric power supplier
 or licensed gas supplier, or both, for the government aggregator's own
 load; ²and²

4 (2) a contract form which shall comply with and include the 5 requirements of subsection a. of section 43 of ²[this act; and

6 (3) that the written agreement shall not take effect until the
7 proposed contract in paragraph (2) of this subsection is [approved]
8 reviewed by the board and the Division of the Ratepayer Advocate]
9 P.L.1999, c.23 (C.48:3-92).

10 The governing body shall transmit a copy of the written agreement 11 to the board and the Division of the Ratepayer Advocate, each of 12 which shall have 15 days to review the written agreement and provide 13 comments to the governing body, which may accept or reject the 14 comments².

d. ²[After entering into a written agreement with the selected 15 licensed supplier, the governing body shall submit, to the board and 16 17 the Division of the Ratepayer Advocate for [approval] review and comment, the proposed contract [to be entered into by the selected 18 19 licensed electric power supplier or licensed gas supplier, or both, with 20 each residential customer who affirmatively consents to enter into a 21 contract with the selected licensed electric power supplier or licensed 22 gas supplier, or both]. This submission shall include the proposed 23 contract and any other information deemed appropriate by the board 24 and the Division of the Ratepayer Advocate.

(1) Within 1 [30] <u>15</u> ¹ days of receipt of the submission, the board 25 and the Division of the Ratepayer Advocate shall [determine whether 26 27 the submission is complete. If it is determined to be incomplete, it shall be returned, forthwith, along with a notice specifying the 28 29 deficiency or deficiencies. The governing body shall correct the 30 deficiency or deficiencies and resubmit the submission to the board. 31 (2) Upon being notified by the board that the submission is 32 complete, the governing body shall cause a copy to be forwarded to 33 the Division of the Ratepayer Advocate. Within 45 days of receipt, 34 the Division of the Ratepayer Advocate shall recommend to the board 35 to approve, modify or reject the submission.

36 (3) The board shall approve, reject or modify the submission
37 within 60 days of the date the submission is deemed complete] review
38 the proposed contract and provide comments to the governing body,
39 which may accept or reject the comments.] (Deleted by amendment,
40 P.L. c. (now before the Legislature as this bill))²

e. [Upon approval of the proposed contract to be entered into by
the selected licensed electric power supplier or licensed gas supplier,
or both, with each residential customer who affirmatively consents to
enter into a contract with the selected licensed electric power supplier
or licensed gas supplier, or both, the] (1) ²[Following the review by

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the board and the Division of the Ratepayer Advocate] After entering 1 into the agreement pursuant to section c. of this section², the 2 governing body shall provide written ²individual² notice to customers 3 4 advising them of their individual right to affirmatively decline 5 participation in the government energy aggregation program, and 6 providing 30 days for customers to respond to the governing body of 7 their decision to affirmatively decline participation in the government energy aggregation program² and providing them with the price and 8 9 other factors allowing the customer to compare the government energy aggregation program to other alternatives²; and 10 11 (2) upon expiration of the 30-day period required pursuant to 12 paragraph (1) of this subsection, the governing body shall determine 13 the number and identity of customers who did not affirmatively decline 14 to participate in the government energy aggregation program. 15 (3) The governing body shall then authorize the selected licensed 16 electric power supplier or licensed gas supplier, or both, to [solicit the 17 affirmative and voluntary written consent to participate in the 18 government energy aggregation program of any] enroll each 19 [residential] customer within the municipality <u>or county</u> who did not 20 initially affirmatively decline to be part of a government energy 21 aggregation program pursuant to the provisions of paragraph [(2)] (1) 22 of subsection [a.] e. of this section. 23 ²(<u>4</u>) ³[<u>Residential and non-residential customers that have been</u> 24 enrolled in a government energy aggregation program and move to a 25 new location where that same government energy aggregation 26 program is available may consent to continue in the government 27 energy aggregation program but will revert to basic generation service 28 or basic gas supply service for no more than 60 days to accommodate customer notification and billing cycle requirements.²] The Board of 29 30 Public Utilities shall adopt, pursuant to the Administrative Procedure 31 Act," P.L.1968, c.410 (C.52:14B-1 et seq.), rules and regulations 32 regarding service for residential and non-residential customers in 33 municipalities and counties in which government energy aggregation 34 programs have been established providing for the notification to new 35 customers of the availability of the established government energy 36 aggregation program and their option to enroll in the program, and 37 establishing a process by which customers that have been enrolled in 38 a government energy aggregation program and that move to a new 39 location where that same government energy aggregation program is 40 available may consent to continue in the program without reverting to 41 basic generation service or basic gas service. The rules and 42 regulations adopted by the board pursuant to this section shall provide 43 for the recovery by an electric public utility or a gas public utility of all 44 reasonable costs incurred by the electric public utility or gas public 45 utility in complying with the regulations adopted pursuant to this section.3 46

f. The licensed electric power supplier or licensed gas supplier, or
 both, selected pursuant to the provisions of this section shall be
 subject to the provisions of section 37 of this act.

g. Whenever the process results in a change of provider of energy
or of price to program participants, the governing body shall give
residential customers notice, as determined by the board, of their right
to decline continued participation.

h. A government aggregator [which] that is a county may
implement the provisions of this section only as authorized pursuant
to the provisions of subsection f. of section 43 of this act.

i. [The provisions of this section shall only apply to government
energy aggregation programs for residential customers.] ¹[(Deleted
by P.L. c. (now before the Legislature as this bill)] The provisions
of this section shall only apply to government energy aggregation
programs for residential customers ² and to non-residential customers
on a voluntary basis².¹

j. [Nothing in this section shall preclude a limited government
energy aggregation program from including business customers as
participants pursuant to section 44 of this act.] ¹[(Deleted by
P.L. c. (now before the Legislature as this bill)] Nothing in this
section shall preclude a government energy aggregation program from
including ²[business] non-residential² customers as participants on a
voluntary basis and in a clear and consistent manner.

<u>k. Nothing in this section shall preclude a residential customer</u>
 <u>who did not affirmatively decline to participate in a government energy</u>
 <u>aggregation program from switching electric service to another electric</u>
 <u>power supplier or to basic generation service pursuant to regulations</u>
 <u>adopted by the board.</u>¹

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29 (cf: P.L.1999, c.23, s.45)
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²<u>6. (New section) a. The provisions of any law, or rule or</u> 31 32 regulation adopted pursuant thereto, to the contrary notwithstanding, 33 a government aggregator that is a municipality or a county shall not 34 award a contract to a licensed electric power supplier, a licensed gas 35 supplier, or appliance repair service provider if the licensed electric power supplier, licensed gas supplier, or appliance repair service 36 37 provider has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a campaign 38 39 committee of any candidate or holder of the public office having 40 ultimate responsibility for the award of the contract, or to any State, 41 county or municipal party committee or legislative leadership 42 committee, in excess of the thresholds specified in subsection c. of this 43 section within one calendar year immediately proceeding 44 commencement of negotiations for the contract. 45

45 <u>b. No licensed electric power supplier, licensed gas supplier, or</u>
 46 <u>appliance repair service provider which enters into negotiations for, or</u>

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1 agrees to, any contract with a government aggregator that is a 2 municipality or a county shall knowingly solicit or make any 3 contribution of money, or pledge of a contribution, including in-kind 4 contributions, to any candidate or holder of the public office having 5 ultimate responsibility for the award of the contract, or to any State, 6 county or municipal party committee or legislative leadership 7 committee, between the commencement of negotiations for and the 8 later of the termination of negotiations or the completion of the 9 contract. 10 c. Any individual included within the definition of a licensed electric power supplier, licensed gas supplier, or appliance repair 11 service provider pursuant to subsection o. of this section may annually 12 13 contribute a maximum of \$250 for any purpose to any candidate for 14 the office of Governor or for the office of member of the Legislature, 15 or \$500 to any State, county or municipal party committee or 16 legislative leadership committee, without violating subsection a. of this 17 section. However, any group of individuals meeting the definition of 18 a licensed electric power supplier, a licensed gas supplier pursuant, or 19 appliance repair service provider to subsection o. of this section, in the 20 aggregate shall not annually contribute for any purpose in excess of 21 \$5,000 to all candidates for the office of Governor or for the office of 22 member of the Legislature and officeholders with ultimate 23 responsibility for the awarding of the contract, and all State, county 24 and municipal political parties and legislative leadership committees 25 combined, without violating subsection a. of this section. d. For purposes of this section, the office that is considered to 26 27 have ultimate responsibility for the award of the contract shall be any 28 elected official of the governing body of the municipality or county 29 serving as the government aggregator. 30 e. No contribution of money or other thing of value, including in-31 kind contributions, made by a licensed electric power supplier, a 32 licensed gas supplier, or appliance repair service provider to any 33 candidate for the office of Governor or for the office of member of the 34 Legislature or State, county or municipal party committee or 35 legislative leadership committee shall be deemed a violation of section 36 a. of this section nor shall an agreement for property, goods or 37 services, of any kind whatsoever, be disqualified thereby, if that 38 contribution was made by the licensed electric power supplier, licensed 39 gas supplier, or appliance repair service provider prior to the effective 40 date of P.L. . c. (C.)(pending in the Legislature as this bill). 41 f. (1) Prior to awarding any contract to a licensed electric power 42 supplier, a licensed gas supplier, or appliance repair service provider, 43 a government aggregator that is a municipality or a county shall 44 receive a sworn statement from the licensed electric power supplier, 45 licensed gas supplier, or appliance repair service provider made under 46 penalty of perjury that the licensed electric power supplier, licensed

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gas supplier, or appliance repair service provider has not made a 1 2 contribution in violation of subsection a. of this section. 3 (2) A licensed electric power supplier, licensed gas supplier, and 4 appliance repair service provider shall have a continuing duty to report 5 any violations of this section that may occur during the negotiation of 6 duration of the contract. g. Candidates for the office of Governor or for the office of 7 member of the Legislature, and State and county party committees and 8 9 legislative leadership committees shall use reasonable efforts to notify 10 contributors and potential contributors that contributions, including inkind contributions, from a licensed electric power supplier, a licensed 11 gas supplier, or appliance repair service provider and certain 12 13 individuals associated with a licensed electric power supplier, licensed 14 gas supplier, or appliance repair service provider may affect the ability 15 of the licensed electric power supplier, licensed gas supplier, or 16 appliance repair service provider to contract or continue to contract 17 with a government aggregator that is a municipality or a county. Such 18 reasonable efforts shall include, but need not be limited to, notification 19 in written fundraising solicitations or donor information request forms or other fundraising solicitation materials. The failure of a licensed 20 21 electric power supplier, licensed gas supplier, or appliance repair 22 service provider to receive the notice prescribed in this subsection 23 section shall not be a defense to a violation subsection a. of this 24 section. 25 h. A licensed electric power supplier, licensed gas supplier, 26 appliance repair service provider, candidate for the office of Governor 27 or for the office of member of the Legislature, an officeholder or a 28 State, county or municipal party committee or legislative leadership 29 committee may cure a violation of section subsection a. of this section 30 if, within 30 days after the election for which a contribution is made 31 the licensed electric power supplier, licensed gas supplier, or appliance 32 repair service provider seeks and receives reimbursement of a 33 contribution from the candidate for the office of Governor or for the 34 office of member of the Legislature or State, county or municipal 35 political party or legislative leadership committee. 36 i. It shall be a breach of the terms of a contract for a licensed electric power supplier, licensed gas supplier, or appliance repair 37 38 service provider to violate subsection a. of this section or to 39 knowingly conceal or misrepresent contributions given or received, or 40 to make or solicit contributions through intermediaries for the purpose 41 of concealing or misrepresenting the source of the contribution, and 42 any such licensed electric power supplier, licensed gas supplier, or 43 appliance repair service provider shall be subject to penalties 44 prescribed in subsection k. of this section and any other penalties 45 prescribed by law.

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1 j. No person shall make and no person, other than a candidate or 2 an official representative of the candidate committee or joint candidates committee of the candidate, shall accept any contribution 3 4 on the condition or with the agreement that it will be contributed to 5 any other particular candidate, subject to penalties prescribed in subsection k. of this section and any other penalties prescribed by law. 6 7 The expenditure of funds received by a person shall be made at the 8 sole discretion of the recipient person. 9 k. Any licensed electric power supplier, licensed gas supplier, or 10 appliance repair service provider who knowingly fails to reveal a contribution made in violation of subsection a. of this section, or who 11 knowingly makes or solicits contributions through intermediaries for 12 13 the purpose of concealing or misrepresenting the source of the 14 contribution, shall be disqualified from eligibility for future energy 15 aggregation program contracts for a period of four calendar years 16 from the date of the determination of violation, and shall have any 17 contract with the State then in effect immediately terminated. 18 1. The governing body of a county or municipality shall have the 19 option to promulgate and implement its own ordinances restricting 20 campaign contributions by licensed electric power suppliers and 21 licensed gas suppliers. 22 m. (1) Any licensed electric power supplier, licensed gas supplier, 23 or appliance repair service provider making a contribution to any 24 candidate, committee, or political party shall file an annual disclosure 25 statement with the New Jersey Election Law Enforcement Commission 26 setting forth all political contributions made during the 12 months 27 prior to the reporting deadline. 28 (2) The Election Law Enforcement Commission shall prescribe 29 forms and procedures for the reporting required in paragraph (1) of 30 this subsection which, at a minimum, shall require the following 31 information: 32 (a) The names and addresses of the licensed electric power 33 supplier, licensed gas supplier, or appliance repair service provider 34 making the contributions, and the amount contributed; (b) The name of the candidate committee or political party 35 36 receiving the contribution; and 37 (c) The amount of money received from a government aggregator 38 that is a municipality or a county. 39 n. The Election Law Enforcement Commission shall maintain a list 40 of such reports for public inspection both at the commission's office 41 and through the commission's electronic disclosure Web site. 42 o. (1) For purposes of this section, "electric power supplier" and "gas supplier" shall have the same meaning as set forth in section 3 of 43 44 P.L.1999, c.23 (C.48:3-51), and shall include all principals who own 45 10 percent or more of the equity in an entity that is an electric power supplier or a gas supplier, partners, and all officers in the aggregate 46

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employed by the entity, as well as any subsidiaries directly controlled 1 by the entity. "Appliance repair service provider" means any person 2 3 or entity engaged in the maintenance, repair or replacement of 4 appliances and providing such services as part of government energy 5 aggregation program pursuant to P.L.1999, c.23, and shall include all principals who own more than 10 percent or more of the equity in an 6 7 entity which is an appliance more than 10 percent or more of the 8 equity in an entity which is an appliance repair service provider, 9 partners, and all officers in the aggregate employed by the entity, as 10 well as any subsidiaries directly controlled by the entity. "Contract" shall mean a contract between a government aggregator that is a 11 12 municipality or a county for a government energy aggregation program 13 entered into pursuant to the provisions of section 2 of P.L., c. 14 (C.)(pending in the Legislature as this bill) or the provisions of P.L.1999, c.23. 15 (2) For the purposes of this section, "contribution," "in-kind 16 contribution," "other thing of value," "candidate," "candidate 17 committee," "joint candidates committee," "legislative leadership 18 19 committee," "State, county or municipal political party" and "State, county or municipal party committee" shall have the meanings set forth 20 21 in the "New Jersey Campaign Contributions and Expenditures Reporting Act," P.L.1973, c.83 (C.19:44A-1 et seq.).² 22 23 ²[5.] <u>7.</u>² Section 44 of P.L.1999, c.23 (C.48:3-93) is repealed. 24 25 ²[6.] $\underline{8.}^{2}$ This act shall take effect immediately. 26