

Lebanon Council hears about an energy cooperative program

By MARIN RESNICK Contributing Writer for Hunterdon Review
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LEBANON – Lisa Hibbs from Commercial Utility Consultants, Inc. spoke to the Borough Council and community members, about the benefits of joining an energy co-operative program during the Wednesday, Sept. 20, council meeting.

Hibbs came in at the bequest of the borough's administration after having had communication with Califon Borough's administration about the success their residents have had with the program.

Hibbs said her job as an energy consultant came after the deregulation of energy which occurred in the 1990s.

"Prior to deregulation, power plants pushed power to the local distribution company, in our case, JCP&L, and then it was pushed right to the consumer.

"In order to add competition into the mix, the deregulation added electric suppliers. So now we have the generator, the suppliers pick up the generation from the generator, they then sell it to the local distributor, JCP&L in our case, and JCP&L bills us for the distribution charges, which are their charges for the lines and transmission and also the supply portion of our bill," Hibbs said.

Hibbs said the way the electricity rates in New Jersey are set, is by the New Jersey Basic Generation Service Auction held in February of every year.

"The auction sets each utility's default rate." Hibbs said. "That includes PSE&G and Orange & Rockland (power utility). It includes gas and electric and JCP&L. The rates take effect in June each year."

Hibbs said this is the rate that all New Jersey consumers pay for their electric and gas, if they do nothing.

However, in 2012 legislation was passed allowing municipalities to aggregate their residential account load.

"New Jersey Administrative Code Title 14, took effect in 2012, this allowed municipalities to aggregate their residential account load," Hibbs said. "It replaces the default rate (with a) bulk purchase (rate) based on a community's local usage, not on the whole state's (usage)," Hibbs said.

Hibbs also said there are energy purchasing cooperatives like the one headed by Califon Borough, which Lebanon Borough residents could join, and that residents could opt-out of joining into the co-operative program.

Hibbs encouraged the borough to consider joining the co-operative because energy prices will continue to rise based upon the 26.5 percent of renewable requirements based upon New Jersey State Law.

She said it takes three to four months to get through the entire process.

The Borough Council and administration said that it will review the information given to them by Hibbs, and will discuss further.