NJSEM - A Case Study of Municipality Benefits

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SPARTA TOWNSHIP PROFILE

- Population: Approximately 20,000
- Charter NJSEM member
- Energy Usage Profile:
  - Electricity:
    - 41 JCP&L General Service accounts (Township facilities such as municipal building, court, police department, library, pump station, parks). Total annual electricity consumption about 1.7 million kilowatt-hours.
    - 3 JCP&L street lighting accounts. Total annual electricity consumption about 100 thousand kilowatt-hours.
  - Natural Gas:
    - 2 Elizabethtown Gas General Service accounts. Total annual natural gas consumption about 20 thousand therms.
SPARTA TOWNSHIP SUSTAINABILITY INITIATIVES

- 2009: Sparta Twp.'s Green Team established by Council resolution
- 2010: Sparta Twp. became the first municipality in Sussex County to be certified a sustainable community by Sustainable Jersey
- 2010: Bronze certification
- LGEA Audit
- Solar projects
- LED street light conversions
- 2018: Township EV charging station installation procurement process begins (1 charging station, up to potentially 3 charging stations, on public property)

NJSEM MEMBERSHIP BENEFITS TO THE TOWNSHIP

**Procurement:**
- Entire procurement process is run by NJSEM professionals (NJSEM administrator, energy consultants and legal) - takes load off municipal resources
- Assures compliance with all applicable State procurement rules
- Don't have to tie-up any Township resources for procurement
- Strike Price approach to assure savings as compared to utility tariff price

**Post-Procurement:**
- Energy market expertise - NJSEM professionals can answer questions and provide information pertaining to facility energy usage; energy efficiency and renewable energy program opportunities
- In real-life, occasional billing or account issues inevitably arise with third-party supply. Don't have to tie-up Township resources - NJSEM professionals deal with the supplier and the utility to resolve.
  - (ex. transition to new supplier at beginning of new contract; utility changes account number and account gets dropped, etc.)
NJSEM MEMBERSHIP BENEFITS (cont’d)

- Electricity supply costs savings:
  - New contract starting in June 2018 will reduce the Township’s cost of power supply by another 9% from the already low prices in the current NJSEM supply contract, and will save the Township an estimated 18% or about $50 thousand over the next 24 months.

- Natural gas supply cost savings:
  - New contract which started in December 2017 has reduced the Township’s cost of gas supply slightly as compared to the low prices in the previous NJSEM supply contract, will save the Township an estimated 10% or about $2,500 over the next 24 months, and provided protection against the gas market price spikes such as the one which occurred in February 2018.

NJSEM MEMBERSHIP BENEFITS (cont’d)

Total savings for the Township over $250 thousand since membership in NJSEM began.
SUSTAINABILITY BENEFITS TO THE TOWNSHIP

- NJSEM Enhanced Renewable Energy Product qualifies Sparta Township for 10 points towards Sustainable Jersey certification
- NJSEM professionals provide renewable energy product documentation to support SJ application for certification points
- NJSEM professionals available to provide advice regarding our proposed electric vehicle charging station(s)
- NJSEM professionals available to answer questions and advise the Township on energy consumption issues and energy reduction opportunities

CONCLUSIONS

- Through NJSEM membership, Sparta Township is able to reap the economic benefits of a large-scale aggregation program through joint purchasing, resulting in significant energy supply cost savings as well as budgeting certainty
- Large-scale aggregation provides an opportunity for all procurement services (legal, professional) to be out-sourced in a very cost-effective manner; all of the hassle is taken off the shoulders of Township staff
- Furthermore, large-scale aggregation provides the opportunity for the Township to obtain extra renewable energy content extremely cost-effectively (25% renewable energy content, while still obtaining 18% cost savings).
- Through large-scale aggregation, NJSEM is able to provide full-service professional staff and resources to assist the Township with navigating through complex sustainability initiatives.
- Part of a group of similar entities with shared issues and concerns
NJSEM - PERSPECTIVE AS AN NJSEM CHAIRPERSON AND AS MUNICIPAL OFFICIAL

- NJSEM was the creation of a group of long-time members of the JIF seeking energy cost control and energy budget stability via a large pool of members.
- NJSEM has been at the cutting edge of innovation, and has continued to evolve.
  - Street lighting account
  - Renewable energy products
- Nominal, one-time membership fees assessed on members to demonstrate commitment on the part of new members, and to provide seed money to fund operations.

As Joint Meeting became established, membership grew and as member savings accrued, NJSEM decided to return membership fee to all existing members and waive fees for all new members.

NJSEM - PERSPECTIVE AS AN NJSEM CHAIRPERSON AND AS MUNICIPAL OFFICIAL

- NJSEM continues to look for ways to grow, adapt, and find new ways to provide value to members, beyond its already first-class energy procurement and support services.

There are numerous options for municipal energy supply procurement; however NJSEM is the best, safest, and provides the most comprehensive suite of services for its Members.