



ORDINANCE 2020-40

**Amending the Code of the Township of South Brunswick, By
Adding Chapter 32, Establishing a Community Energy
Aggregation Program for Regionally Sourced Renewable
Electrical Energy**

WHEREAS, there is broad scientific consensus that Earth's climate is warming, and this warming is being caused by human activities that cause the release of greenhouse gases due to use of fossil fuels; and

WHEREAS, climate change has far reaching impacts, including increasing the likelihood of extreme weather events, sea level rise, flooding, drought, and mass extinctions; and

WHEREAS, co-pollutants from burning fossil fuels create significant respiratory ailments and deaths; and

WHEREAS, the impact of climate change can cause damage to public parks, roads, municipal properties and equipment; and

WHEREAS, the cost of providing basic public services such as water treatment and snow removal can increase with climate change; and

WHEREAS, resources for first responders can be strained when climate change related extreme weather events arise; and

WHEREAS, it is less expensive to plan for and mitigate the impacts of climate change, rather than respond to emergencies when they happen; and

WHEREAS, many of the costs associated with the impacts of climate change or mitigating those impacts will be borne by state and local budgets, putting further strain on overstressed budgets; and

WHEREAS, studies show the feasibility of creating an energy system that is based upon 100% renewable energy, while creating jobs and improving public health; and

WHEREAS, many municipalities currently lack the professional expertise and resources to mitigate climate change; and

WHEREAS, the United States was signatory to the Paris agreement that is working to strengthen the global response to the threat of climate change; and

WHEREAS, the Township Council and the Mayor ("Mayor") of South Brunswick Township ("Township") are interested in creating an energy supply system within the Township that will provide an opportunity for participating customers to receive electric supplies from 100% renewable energy sources; and

WHEREAS, PJM Interconnection (PJM) is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee,

Virginia, West Virginia, and the District of Columbia, but renewable electricity created outside of the PJM grid cannot be directly utilized by residents of the Township; and

WHEREAS, prioritizing generation of renewable electricity in the region served by the PJM grid will help improve local air quality, improve public health impacts, and decrease costs; and

WHEREAS, the Government Energy Aggregation Act, N.J.S.A. 48:3-93.1 *et seq.* governs the establishment of a government energy aggregation program, which is a government-operated purchasing cooperative through which multiple energy consumers purchase energy together under the auspices of a government aggregator; and

WHEREAS, pursuant to the Government Energy Aggregation Act, N.J.S.A. 48:3-93.1 *et seq.*, the Township seeks to establish a Government Energy Aggregation Program (“Program”) for the provision of electricity within the Township, for the purpose of obtaining power supply cost savings for residential and business participants in the Township; and

WHEREAS, the Township will from time to time solicit proposals from electric power suppliers for electric generation services through the Program, in which the Township and its authorized personnel will be lead agents in administering the South Brunswick Township Community Energy Aggregation Program (“CEA”); and

WHEREAS, the Township will from time to time issue one or more Request for Proposals for electric generation services and energy aggregation services on behalf of the CEA pursuant to the Local Public Contracts Law, the Government Energy Aggregation Act, and the Electric Discount and Energy Competition Act; and

WHEREAS, the Township is interested that the energy provided by CEA entirely come from renewable energy sources as soon as practicable, and the CEA will therefore include provisions requiring the inclusion of renewable energy in the request for proposals for electric generation services and energy aggregation services; and

WHEREAS, the Township will only award contracts for said electric generation service and energy aggregation services to electric power suppliers that meet the qualifications of State law and those established by the Township; and

WHEREAS, state regulations at N.J.A.C. § 14:4-6.9 governs rates for services provided to residential and nonresidential customers under a government-private energy aggregation program, including when the electricity provided to residential customers is from a percentage of renewable energy exceeding the applicable percentage required under the state’s renewable portfolio standards at N.J.A.C. 14:8-2; and

WHEREAS, N.J.S.A. 48:3-93.1 *et seq.* requires the Program to be established by ordinance;

NOW, THEREFORE, BE ORDAINED by the Township Council of South Brunswick Township, in the County of Middlesex, New Jersey, that

- I. The Township Code of the Township of South Brunswick shall be and is hereby amended by the addition of the following:

Chapter 32. Community Energy Aggregation Program

Secs. 32-1 - 32-10. Reserved.

Sec. 32-11. Authorization.

There is hereby established a Community Energy Aggregation Program for residential and non-residential customers served by both the Public Service Electric & Gas (PSE&G) and Jersey Central Power & Light (JCP&L) distribution systems, in accordance with the provisions of the Government Energy Aggregation Act, N.J.S.A. 48:3-93.1 *et seq.*, and the rules promulgated thereunder, N.J.A.C. 14:4-6.1, *et seq.*

Sec. 32-12. Lead Agency.

The Township shall be the lead agency and any agreements entered into in connection with the Community Energy Aggregation Program by authorized personnel shall be subject to review by the Township.

Sec. 32-13. Electric Distribution Aggregation Agreement; Terms; Master Performance Agreement.

A. The Mayor of South Brunswick Township (“Mayor”) shall be and is authorized to execute and the Clerk to attest to the execution of Electric Distribution Aggregation Agreements, in a form acceptable to Township, with PSE&G and JCP&L.

B. Pursuant to the terms and conditions of the Government Energy Aggregation Act and the rules promulgated thereunder, and specifically N.J.A.C. 14:4-6.2, the Township shall oversee the Community Energy Aggregation Program (“CEA”) as lead agency and, in that capacity, and consistent with applicable rules, shall solicit requests for proposals for electric generation service and energy aggregation services on behalf of the Township’s residents and businesses. The Mayor may execute and enter into a contract for such services, subject to Sec. 32-13(C)-(D), and provided that the lowest qualified bid price for electricity generation service is consistent with N.J.A.C. § 14:4-6.9 and notice is provided to residential customers should the price exceed the benchmark price, as required by N.J.A.C. § 14:4-6.9(g). Pursuant to the regulations of the Government Energy Aggregation Act, a public notice of the CEA will be issued whereby non-residential energy consumers may opt into the CEA and residential customers may opt out.

C. The CEA must be fully implemented within one (1) year of the adoption of the ordinance establishing the CEA. Request for proposals for electricity generating services must state that no contract will be awarded unless it has an option for customers to obtain up to 100% renewable electricity and a minimum percentage of renewable electricity for all program participants of:

- 50% from program inception through December 31, 2021;
- 60% from January 1, 2022 through December 31, 2023;
- 70% from January 1, 2024 through December 31, 2025;
- 80% from January 1, 2026 through December 31, 2027;
- 90% from January 1, 2028 through December 31, 2029; and
- 100% after December 31, 2029.

D. The renewable electricity attributes for the CEA will be Class I, NJ PJM Renewable Energy Credits from the current calendar year, unless the Township opts to enter into a power purchase agreement with a solar or wind energy provider to provide both energy and attributes together to meet some or all of the requirements of subsections C and D of this section. The Mayor may not execute and enter into a contract for electricity generating services unless it meets the renewable percentages specified in Sec. 32-13(C).

E. The Mayor may also execute a master performance agreement that obligates the participants in the CEA to purchase electricity at terms and conditions stated therein with a third-party

supplier who has been awarded the contract by the Township on behalf of participating members of the CEA, and provided that such contract shall be at prices reasonably forecast and estimated by the Township to provide for basic generation service by PSE&G and/or JCP&L.

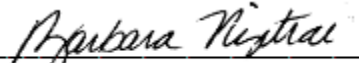
II. If any clause, sentence, paragraph, section or part of this ordinance or any other codes or ordinances incorporated herein shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which said judgment shall have been rendered.

III. This ordinance shall become effective twenty (20) days after its final passage.

The above ordinance was introduced and passed on first reading at a meeting of the Township Council of the Township of South Brunswick held on November 24, 2020. It will be considered on second reading and final passage at a meeting of the Township Council of the Township of South Brunswick to be held either: (1) at the Municipal Building, Monmouth Junction, New Jersey; or, if that is not possible, (2) via video conference, at 2:00 p.m. on December 22, 2020. If the meeting is held via video conference, an electronic link to the meeting will be made available to the public at www.sbtnj.net no later than noon on the day of the meeting. In either case, at the time of second reading and final passage any person having an interest therein will be given an opportunity to be heard.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Josephine "Jo" Hochman, Councilwoman
SECONDER:	Ken Bierman, Councilman
AYES:	Ken Bierman, Joseph Camarota, Archana "Ann" Grover, Josephine "Jo" Hochman
ABSENT:	Charlie Carley

This is to certify that the foregoing is a true copy of a Ordinance Adopted at the South Brunswick Township Council meeting held on December 22, 2020.


Barbara Nyitrai, Township Clerk