

Choosing an Energy Supplier for Your Home, Business or Community

History of Deregulation

In 1999, the Electric Discount and Energy Competition Act (EDECA) was passed which enables every energy customer in New Jersey to shop for their electric and natural gas supplies by separating the supply portion of their utility bill from the delivery portion. With the supply portion open to competition, energy customers can compare prices from third-party suppliers against what their utility charges them for kilowatt-hours or therms.

Thousands of New Jersey businesses, residents and municipalities now shop for the lowest price with third-party suppliers. Their local electric or natural gas distribution companies still deliver the supplies through their wires or pipes – and respond to emergencies – but the supplies themselves are purchased from other companies.



Why Reducing Energy is Vital

Now, more than ever, it makes good sense to adopt energy-efficient practices, install energy-efficient equipment, and support and install renewable energy. Not only will your energy improvements contribute to the economy and environment of New Jersey, you'll also realize bottom-line savings. Investing in clean energy gives businesses, residents and local governments the opportunity to help reduce energy usage, lower greenhouse gas emissions and reduce overall energy costs.

Energy supply shopping is only one element of a comprehensive strategy that should be considered for reducing energy costs. Starting with a thorough, integrated energy audit to identify opportunities for energy savings, customers should also explore upgrading the efficiency of their heating, cooling, lighting and operational equipment. Combined heat and power or renewable energy systems may also be energy saving options, and offer environmental advantages as well.



Buy electric power from your utility company or from a third party supplier



You can choose a third party supplier for natural gas

Who Should Shop?

Any electric or gas customer in New Jersey is eligible to shop, but those who can generally benefit most from shopping include businesses with any or all of the following characteristics:

High Energy Usage

Your business consumes large amounts of electric and/or natural gas

Favorable Load Curve

Your energy usage is relatively constant, minimizing sharp peaks and valleys

Favorable Timing of Load

Much of your electric usage occurs in off-peak hours

Curtable or Interruptible

Your business has the ability to voluntarily curtail its electric load or interrupt its natural gas load

Pricing Options

Generally, pricing options fall into three categories:

Fixed

Under this option, a customer pays a set, agreed upon price for energy supplies throughout the term of the contract. Fixed price contracts can help customers save money if energy costs rise in the future. Conversely, customers may end up paying more under a fixed price option if energy costs decline.

Floating

Also known as variable pricing, this option allows the customer's price to rise or fall on a periodic basis as it tracks the wholesale cost of electricity or natural gas. Generally, the customer's price is a percentage of the wholesale cost, so there is a guaranteed saving built in regardless of the direction in which the wholesale price moves. Be sure you understand what that periodic basis is – hourly, daily, weekly or monthly.

Hybrid

This option is a combination of the fixed and floating options. In some cases, the customer pays a fixed price for part of the contract period, and a floating price for the remainder of the time. In other cases, a fixed price will apply to some percentage of the customer's supplies and a floating price will apply to the rest. Individual suppliers may offer unique variations on these three basic options. Be sure to ask for details.

Account Number: 07 1234567890123456
Invoice Number: 432765987567

Charges From Your Electric Company

Basic Charges

Customer #: 987123456345789 - Residential Service

Customer Charge				3.50
Basic Generation Service	155 KWH	x-0.0023434	-0.32	
	198 KWH	x-0.004178	-1.01	
	528 KWH	x-0.229253	72.50	
			71.17	71.17
Delivery Charges	528 KWH	x-0.061172		28.13
Total Charges				102.80

Your utility company will continue to deliver your electricity and natural gas. Your bill will show delivery and customer charges for bringing the energy to your meter.

Electricity and natural gas can be purchased from a third party supplier who may offer discounts, long-term fixed contracts, or electricity from renewable sources such as wind, solar or hydropower.

Winter Month 2011
Account Number: 12 345 678 90

Charges From Your Gas Company

Charges	PoD ID: 123456678	Rate - RSGH
Delivery		
Service Charge		\$5.96
Distribution Charge	200 therms @ \$0.351250	70.25
Balancing Charge	162 therms @ \$0.095988	15.55
Total Delivery		\$91.76
Supply		
BGSS Commodity	200 therms @ \$0.0990650	198.13
Total Supply		\$198.13
Total Gas Charges:		\$298.89

Questions to Ask

- What is the history of your company, who owns it and how is your financial stability?
- What are my choices on the length of the contract?
- Does the contract automatically renew?
- Are there any penalties if I want to get out of the contract before it expires?
- Does your price include New Jersey state sales tax?
- Are there any other taxes, charges or fees included in your price?
- Will I incur extra charges if my business' usage goes significantly above or below my usual level of usage for a given period of time?
- What billing options do you offer? Can I pay one consolidated bill for both my energy supplies and the delivery service, or must I pay separate bills to my energy supplier and my distribution utility?
- Do you offer other products or services (i.e. energy audits, consulting services, demand response, etc.) in addition to electricity or natural gas supplies?
- Can I review your standard contract before I receive your price offer?
- How long is your price offer valid?
- If I accept your offer, how long will it take for service to begin?



Find an area supplier near you!

Residential, commercial, or industrial customers can visit the link below for a list of natural gas and electricity suppliers.

<http://nj.gov/bpu/commercial/shopping.html>

www.NJCleanEnergy.com

New Jersey's Clean Energy Program can help you reduce energy usage with financial incentives for efficiency upgrades.

