

BOROUGH OF HIGHLAND PARK
ORDINANCE NO. 20-

AN ORDINANCE OF THE BOROUGH OF HIGHLAND PARK, COUNTY OF MIDDLESEX,
STATE OF NEW JERSEY ESTABLISHING A GOVERNMENT ENERGY AGGREGATION
PROGRAM AND AMENDING THE "CODE OF THE BOROUGH OF HIGHLAND PARK"
BY ADDING THERETO, A NEW CHAPTER 84

WHEREAS, there is an increased need to mitigate the impacts of climate change and many of the costs associated with the impacts of climate change mitigation are borne by state and local budgets, putting further strain on overstressed budgets; and

WHEREAS, the Borough Council is interested in obtaining power supply cost savings for residents while facilitating a transition to an increased use of 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, and renewable electricity created outside of the PJM grid cannot be directly utilized by the residents of Highland Park; and

WHEREAS, prioritizing generation of renewable electricity in the region served by the PJM grid will help improve air quality and public health impacts and reduce costs for residents; 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, the New Jersey Board of Public Utilities ("BPU") has promulgated rules (N.J.A.C. 14:4-6) for the implementation of government energy aggregation programs; and

WHEREAS, pursuant to the Government Energy Aggregation Act, N.J.S.A. 48:3-93.1 et seq. the Borough seeks to establish a Government Energy Aggregation Program ("Program") for the provision of electricity within the Borough; and

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

WHEREAS, Borough Council intends to serve as the Lead Agency conducting this Program and will from time to time solicit proposals from electric power suppliers for electric generation services through the Program; and

WHEREAS, the Borough will only award contracts to said electric power suppliers whose proposals include resident cost savings and renewable energy sources.

BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF HIGHLAND PARK that Chapter 84 be added to the Code and read as follows:

CHAPTER 84

GOVERNMENT ENERGY AGGREGATION PROGRAM

SECTION 84-1. GOVERNMENT ENERGY AGGREGATION PROGRAM CREATED.

The "Government Energy Aggregation Program" is hereby created and established pursuant to the New Jersey 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.

SECTION 84-2. PURPOSE.

There is an increased need to mitigate the impacts of climate change and many of the costs associated with the impacts of climate change mitigation are borne by municipal government. Additionally, the Borough Council wishes to obtain a power supply cost savings for residents while facilitating a transition to an increased use of renewable energy sources. This program is being established to facilitate the operation of a purchasing cooperative through which multiple energy consumers purchase energy together under the auspices of the Borough acting as a government regulator. The Borough, therefore, wishes to be a facilitator which will permit the Borough to be the lead agency in establishing an energy aggregation program for the purchase of electric generation service as authorized by the New Jersey Government Energy Aggregation Act, N.J.S.A. 48:3-93.1 et seq. and the rules promulgated thereunder pursuant to N.J.A.C. 14:4-6.1 et seq.

SECTION 84-3. PROGRAM OPERATION.

The Government Energy Aggregation Program (“HPGEA”) shall operate as follows:

A. All agreements entered into on behalf of the HPGEA shall be authorized by written resolution of the Borough Council.

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 Borough Council shall oversee the HPGEA as lead agency and, in that capacity, and consistent with applicable rules, shall solicit one or more requests for proposals for electric generation services and energy aggregation services on behalf of the Borough’s residents. The Mayor may execute and enter into a contract for such services, subject to Paragraphs C and 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 HPGEA program will be issued whereby non-residential energy customers may opt into the HPGEA program and residential customers may opt out.

C. Any requests for proposals for electricity generating services must state that no contract will be awarded unless there is costs savings for customers as well as renewable energy sources. Renewables should be sourced from within the region currently serviced by PJM Interconnection (PJM) a Regional Transmission Organization to the maximum extent possible. The Borough Council may not execute and enter into a contract for electricity generating services unless the above two stipulations are satisfied.

D. The Borough Council may authorize a master performance agreement that obligates the participants in the HPGEA to purchase electricity at terms and conditions stated therein with a third-party supplier who has been awarded the contract of the Borough on behalf of participating members of the HPGEA, and provided that such contract shall be at prices reasonably forecast and estimated by the Borough to provide for basic generation service by the utility serving the Borough.

E. The HPGEA program shall be administered in accordance with the requirements of N.J.S.A. 48:3-93.1 et seq. and N.J.A.C. 14:4-6.2 et seq.

SECTION 84-4. REPEAL.

All ordinances and resolutions, or part thereof, inconsistent with this Chapter are hereby repealed.

SECTION 84-5. SEVERABILITY.

If any section, paragraph, subdivision, clause or provision of this Chapter shall be judged by the Courts to be invalid, such adjudication shall apply only to this section, paragraph, subsection, clause or provision so adjudged and the remainder of this Chapter shall be valid and enforceable.

SECTION 84-6. EFFECTIVE DATE.

This Chapter shall take effect upon final adoption and publication as required by law.

Introduced and Passed on first reading: June 9, 2020

Adopted: June 23, 2020

Approved: June 23, 2020

Attest:

Joan Hullings, Municipal Clerk

Gayle Brill-Mittler, Mayor