**AN ORDINANCE OF MIDDLETOWN, NEW JERSEY**

**AUTHORIZING THE ESTABLISHMENT OF**

**A GOVERNMENT ENERGY AGGREGATION PROGRAM THAT PHASES IN 100%, PREFERABLY REGIONALLY SOURCED RENEWABLES BY 2035**

**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 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 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,** theTownship Committee, including the Mayor of the Township of Middletown are interested in mandating a transition to 100% renewable electricity by 2035; 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

**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 of Middletown seeks to establish a Government Energy Aggregation Program (“Program”) for the provision of electricity within the Township of Middletown, for the purpose of obtaining power supply cost savings for residential and business participants in the Township of Middletown; and

**WHEREAS,** the Township of Middletown will from time to time solicit proposals from electric power suppliers for electric generation services through the Program, in which the Township of Middletown and its authorized personnel will be lead agents in administering the Middletown Community Energy Aggregation (“MCEA”).

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

**WHEREAS,** theTownship of Middletown is interested that the energy provided by “MCEA” entirely come from renewable energy sources as soon as practicable, and the “MCEA” 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 of Middletown will only award contracts for said electric generation service and energy aggregation services to electric power suppliers that are deemed qualified; and

**WHEREAS,** stateregulationsat N.J.A.C. § 14:4-6.9 governs rates for services provided to residential and non-residential 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 IT ORDAINED** AND ENACTED BY THE TOWNSHIP OF MIDDLETOWN COMMITTEE, IN THE COUNTY OF MONMOUTH, NEW JERSEY, AS FOLLOWS:

**SECTION 1.** The Township of Middletown hereby establishes a Government Energy Aggregation Program, 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*.

**SECTION 2.** The Township of Middletown’s program may be referred to as the Middletown Community Energy Aggregation (**“**MCEA”). The Township of Middletown shall be the lead agency and any agreements entered into in connection with the Program by authorized personnel shall be subject to review by the Township of Middletown.

**SECTION 2.** The Mayor of the Township of Middletown shall be and is authorized to execute and the Clerk to attest to the execution of and Electric Distribution Aggregation Agreement, in a form acceptable to Township of Middletown, with JCP&L.

**SECTION 3.** 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 MCEA as lead agency and, in that capacity, and consistent with applicable rules, shall solicit request for proposals for electric generation service and energy aggregation services on behalf of the Township of Middletown residents and businesses. The Mayor may execute and enter into a contract for such services, subject to Sections 4 and 5 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 MCEA program will be issued whereby non-residential energy consumers may opt into the MCEA program, and residential customers may opt out.

**SECTION 4.** Request for proposals for electricity generating services must state that no contract will be awarded unless that electricity contain renewable electricity of at least 30% by 2020, 50% by 2024, 80% by 2028, 90% by 2032, and 100% by 2035, and the renewable electricity attributes should be sourced from within the region served by PJM to the maximum extent possible. The Mayor may not execute and enter into a contract for electricity generating services unless it meets the renewable percentages specified in this section.

**SECTION 5.** The Mayor may also execute a master performance agreement that obligates the participants in the MCEA to purchase electricity at terms and conditions stated therein with a third party supplier who has been awarded the contract by Township on behalf of participating members of the MCEA, and provided that such contract shall be at prices reasonably forecast and estimated by the Township of Middletown to provide for basic generation service by JCP&L.

**SECTION 6.** All ordinances or parts of ordinances inconsistent herewith are hereby repealed.

**SECTION 7.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.