



Frequently Asked Questions

GENERAL ACES INFORMATION

Q: What is ACES?

A: In 1999, the Alliance for Competitive Energy Services (or “ACES”) program was created to provide energy savings to New Jersey school districts through the competitive purchase of electricity. ACES is a collaborative partnership that is sponsored by the New Jersey School Boards Association (NJSBA), the New Jersey Association of School Business Officials (NJASBO), and the New Jersey Association of School Administrators (NJASA). Throughout the years, these sponsors have helped ensure that the interests of the school districts remain the highest priority.

At the program’s inception in 1999, ACES was focused on helping school districts buy electricity through an aggregated approach to achieve group savings. Building on the success of the electricity aggregation program, a complementary natural gas program was initiated in 2006. The program has long-standing success, a proven track record and currently includes over 430 school districts throughout the state.

In 2014, NJSBA and NJASA expanded the ACES service offerings to include ACESplus – the next generation of cost saving strategies. ACESplus facilitates the implementation of energy sustainability projects at schools by providing easy access to energy experts at no out-of-pocket expense to the districts.

In short, the ACES program is comprised of the ACES electric program, the ACES natural gas program, and the ACESplus program.

The ACES program has been serving New Jersey school districts for over 15 years and has proved to be a ground-breaking initiative to support the educational community.

Q: Is ACESplus part of ACES?

A: Yes, ACESplus is an additional program under ACES that was introduced in 2014.

Q: What are the service offerings under the ACES program?

A: There are three (3) service offerings under the ACES program including:

1. Buying electricity;
2. Buying natural gas, and;
3. Consulting services for sustainable energy projects (through ACESplus)

Districts have the option to participate in any or all of the ACES programs.

Q: What are the benefits of the ACES program?

A: The service offerings under the ACES program provide school districts with a convenient way to reduce energy costs, and pursue advanced clean energy projects that help reduce the districts carbon footprint (through ACESplus).

With the ACES electric and natural gas buying programs, energy is purchased through a large group which helps achieve greater rate discounts due to the economies offered by aggregation. ACES customers benefit from the purchasing power of hundreds of districts buying as a cooperative.

ACESplus provides members with free access to vetted and specialized energy experts without the hassle of costly procurement processes to obtain those resources. ACESplus provides customized energy consulting support in which trusted energy consultants facilitate the successful development of sustainable projects.

Most importantly, the main goal of all ACES programs is to save districts money – all at no upfront costs to the districts. This helps to alleviate budgetary pressures so school districts can focus financial resources on more pressing school matters.

Q: What is the difference between ACES and ACESplus?

A: ACES is the overarching program that was originally created to provide electric and natural gas buying services for districts. It has since been expanded to include access to expert consulting services for clean energy projects through ACESplus.

Within the ACES Cooperative Pricing System, there are several different offerings. Two related offers allow members to buy either electricity or natural gas as part of a large group contract. These are known as ACES – buying electricity, or ACES – buying natural gas. Members may also make use of specialized energy consulting services, known as the ACESplus program.

Once a district joins the Cooperative Pricing System (CPS) (and signs a CPS agreement), it can take advantage of any of the services offered under the ACES program including: (1) electricity purchasing, (2) natural gas purchasing, and (3) consulting support for energy projects (under ACESplus). A member can use the services in any combination. They are not required to buy electricity or natural gas to make use of the energy consulting services ACESplus.

Q: Why should I join ACES?

A: The ACES program provides a one-stop shop for all your energy needs. Whether you are looking to competitively purchase energy, generate your own energy, or reduce your energy usage, ACES is a convenient, no-cost choice.

Q: How do I join ACES?

Whether you want to participate in the ACES program for energy procurement savings or to receive sustainability project support through ACESplus, the process to join ACES is the same and only requires a few simple steps!

First – call us and discuss your energy needs. We can advise you on the ACES services that would be most helpful to your district. If interested in a solar energy or building efficiency project, our experts can provide an initial feasibility evaluation.

To participate in the ACES program, the district board of education must first pass a resolution to join the ACES Cooperative Pricing System (CPS) as well as execute a CPS agreement. The CPS essentially serves as the master umbrella agreement that provides entry into the ACES programs. After this step, you are officially a part of the ACES coalition and will have access to ALL the energy saving programs that ACES has to offer!

Next, the district board of education would pass a resolution for the specific service or services that it would like to engage in. This includes:

- 1) Electricity purchasing;
- 2) Natural gas purchasing, and/or;
- 3) Sustainable energy and conservation projects (ACESplus)

Although participation in all three programs is encouraged to maximize savings, all services are distinct and districts have the discretion to take advantage of the offerings that best meet their unique needs.

Q: How much does it cost to be a part of the ACES program?

A: No matter which ACES program a district decides to utilize, there are no out-of-pocket costs or expenses.

When participating in the ACES electric or natural gas program, the energy agent fee is clearly stated in the bid documents (as a \$/kWh for electric and \$/therm for natural gas) and is paid by the winning third party supplier.

When participating in the ACESplus program, fees for the consulting services are captured as part of the energy project so there is no direct payment required by the district.

It is also important to note that as part of the ACES program some of these proceeds are retained by the sponsoring organizations where they are used for further school improvements and offerings.

Q: Where can I find the resolutions and supporting documents related to the ACES program?

A: All documents related to the ACES program can be found at the ACES website (www.aces-nj.com) by clicking “Resources” under the “Membership” tab.

Q: Who should I contact to learn more about the ACES program?

A: For more information on the ACES program, or to sign up, please contact Carol Friedman, the ACES Coordinator at 732/296-0770 or by e-mail at Carol.Friedman@aces-nj.com.

Additional information can also be found on the ACES website at: www.aces-nj.com.

ACES ELECTRIC AND NATURAL GAS PROGRAM

Q: What are ACES electric and natural gas programs?

The ACES electric and natural gas programs are well-established energy purchasing consortiums in which participating members competitively shop for energy at discounted rates. These reduced rates provide significant savings and are below what the districts would otherwise pay under the utility.

The ACES electric program was created in 1999 when the New Jersey legislature passed its energy deregulation act (called the Electric Discount and Energy Competition Act or “EDECA”). This law specifically authorized the NJSBA to purchase energy on behalf of New Jersey public schools. Based on the success of the electric program, the ACES natural gas program was initiated in 2006.

Q: Why should I join the ACES electric and natural gas program?

A: ACES is the largest energy aggregation program in the state, with unmatched experience and unrivalled buying power and service. By joining the ACES buying consortium, you are able to join forces with hundreds of other school districts to purchase competitively priced electricity and natural gas. As a result of a large buying pool with similar usage histories, you will be able to receive the best offer in the

deregulated energy market. Our electronic bidding system and large pool of customers will assure that you get the best pricing available.

In addition, with the ACES team taking care of bid and contract activities, your hassles associated with this process have been eliminated. ACES ability to lock in quickly allows us to get the best pricing for electricity and natural gas in the extremely volatile energy markets.

When it comes to buying energy, ACES capitalizes on the benefits of purchasing as a large and cohesive group – this design is more attractive to bidders, which helps maximize competition and savings.

Currently, ACES purchases electricity and natural gas on a competitive group basis for more than 430 of New Jersey's public school districts.

Q: How will ACES procure energy for participating districts?

A: ACES was the first in the State to take advantage of a law that allows public entities to use electronic technologies, such as on-line auctions, to competitively purchase goods and services. By allowing bidders to submit bids electronically on a daily basis over a period of time, ACES can capture and lock in savings for schools. This method greatly increases ACES' opportunity to obtain the best bid.

After bids are received, they are analyzed to determine savings for each participating district. After a bid is accepted and awarded by NJSBA, districts will sign an energy purchase and sales agreement with the winning third party supplier. The ability of ACES to quickly receive, analyze, accept and lock-in a price allows ACES to receive the most competitive pricing in today's volatile energy markets.

Q: How do the ACES electric and natural gas programs work?

A: Generally speaking, there are 7 steps to the ACES energy procurement process:

1. Each District joins the Cooperative Pricing System by approving a resolution along with a Cooperative Pricing System Agreement.

2. Each District passes a Resolution authorizing the district to participate in the ACES electric (and/or natural gas) bid and allowing the NJSBA to lock in on its behalf.
3. Each District completes a Usage Data Release Form which lists each utility account number and authorizes the ACES team to access your historical energy usage data.
4. A Request for Bids is issued by ACES using the ACES e-bidding method and in conformance with Local Public Contracts Law and DCA guidelines.
5. Each bid is analyzed. Once it has been concluded that the bid is below the other bids received, below the alternative of purchasing electric or natural gas supply from the local utility's default supply service, and meets the other requirements of the Request for Bids, the NJSBA awards the contract locking in the best bid price.
6. An Energy Purchase and Sales Agreement is signed by each district.
7. The ACES team will work to ensure that the switch to a new supplier occurs seamlessly and without hassle.

In essence, the ACES team takes care of each step so districts reap the benefits of the savings without the time commitment and aggravation of running the process on its own.

Q: When does ACES go out to bid for electricity?

A: Generally, there are two types of electric accounts. Most electric accounts receive service under a fixed price (FP) tariff from their local electric utility. ACES will go out to bid for these accounts if bids are expected to be below the utilities' rates for electric supply.

The other type of account is a higher voltage, higher usage account which is on a utility tariff known as the Commercial and Industrial Energy Price (CIEP). A CIEP account is priced at a rate that changes hourly based on the spot price of electricity in the region. It is usually beneficial for these accounts to contract for competitive supplies so they avoid the

volatility of energy prices. As a result, ACES goes out to bid for electricity for CIEP accounts on a regular basis.

Q: When was the last ACES electric bid and what are the expected savings?

A: In Spring 2015, ACES completed its latest, successful competitive electronic bid process for electricity supply, resulting in the award of 24-month contracts to third party suppliers that will save our 400+ participating member districts an aggregate \$30 million through May 2017. Leveraging its extensive bulk purchasing power, ACES received significant response from the market, awarding contracts to multiple suppliers for members' accounts located throughout the State.

Q: Can I purchase added renewable content through the program?

A: Yes, as part of a recent enhancement, districts now have the option to sign up for a "Voluntary Enhanced Renewable Energy Product" that includes renewable energy, while still saving money. Approximately 20% of the power in the product comes from renewable energy sources located within the regional electric grid that serves New Jersey. By selecting a product containing 20% renewable energy, districts can get ahead of the curve by purchasing power that meets the mandatory statewide goal set for 2020.

This product is purely optional and allows districts to demonstrate their strong commitment to sustainability initiatives, if desired.

Q: If I purchase added renewable content, does it apply to the Sustainable Jersey certification program?

A: Yes, the "Voluntary Enhanced Renewable Energy Product" is designed to assist districts with their goals for the Sustainable Jersey for Schools certification program. Districts that select the additional green product will be eligible to receive 10 points toward their Sustainable Jersey for Schools certification.

Q: When does ACES go out to bid natural gas supplies?

A: Natural gas markets are extremely volatile and utilities usually adjust their rates on a monthly basis. ACES will request bids as frequently as appropriate, depending on the needs of individual districts, and will lock into longer term contracts to avoid volatility.

Q: When was the last ACES natural gas bid and what are the expected savings?

A: In late 2014, ACES completed its latest, successful competitive electronic bid process for natural gas supply, resulting in the award of a 21-month contract to third party suppliers that will run until December 2016. This recent contract locks in the cost of pipeline capacity at an estimated saving to participating districts totaling about \$10 million over the contract term, as compared to the cost of interstate pipeline capacity embedded in gas utility supply tariffs.

Q: I would like to shop around for electricity and natural gas on my own. Can I do that?

A: Certainly. But you should recognize that under Public School Contracts Law, districts must conduct a public bidding process for energy service that is not purchased from the district's local utility. You cannot simply approach a single vendor and take their prices. ACES combines the purchasing power of over 430 school systems. An individual district simply cannot match the strength and buying power of these numbers. In addition, with ACES you avoid the cost and hassle of managing a bid process by allowing a trusted team of experts to administer the process.

Q: I have not done anything yet to sign up my district for ACES. Can I still join?

A: Yes. Your district will need to do the following:

1. Pass a Resolution authorizing the district to join the ACES Cooperative Pricing System Agreement (CPS) and sign the CPS Agreement.
2. Pass a Resolution authorizing the district to participate in the ACES electric (and/or natural gas) bid.

3. Complete a Usage Data Release Form so that the ACES team can access your historical energy usage.

Q: Who should I contact to learn more about the ACES electric and natural gas program?

A: For more information on the ACES program, or to sign up, please contact Carol Friedman, the ACES Coordinator at 732/296-0770 or by e-mail at Carol.Friedman@aces-nj.com.

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