



January 27, 2012

VIA ELECTRONIC MAIL

Hon. Upendra Chivukula
Chairman, Assembly Telecommunications and Utilities Committee
New Jersey General Assembly
State House
Trenton, NJ 08625

Re: Assembly Bill 1384 – Opposition of Retail Energy Supply Association

Dear Chairman Chivukula:

I am writing on behalf of the Retail Energy Supply Association (“RESA”)¹ to set forth RESA’s opposition to A-1384, which is scheduled for consideration by the Assembly Telecommunications and Utilities Committee on Monday, January 30, 2012. This legislation establishes an alternative energy portfolio requirement and certificate program. RESA is concerned that this new alternative energy portfolio standard does not provide the cost certainty needed for retail suppliers to adequately price their products for customers, and has other mandates which RESA believes will create unintended, negative consequences for retail suppliers.

RESA is pleased to note that this legislation mandates a percentage requirement for suppliers to purchase alternative energy credits or provide alternative compliance payments. This percentage requirement is something RESA has been actively seeking for the solar

¹ RESA’s members include: Champion Energy Services, LLC; ConEdison *Solutions*; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energetix, Inc.; Energy Plus Holdings LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; PPL EnergyPlus, LLC; Reliant and TriEagle Energy, L.P.. The comments expressed in this filing represent the position of RESA as an organization but may not represent the views of any particular member of RESA.

renewable portfolio standards, and gives retail suppliers an easy and predictable method for determining their respective alternative energy obligation. However, the timing of implementing this legislation and its new requirements is of significant concern. RESA requests that the new alternative energy portfolio standards and requirement to purchase alternative energy credits be implemented no sooner than three energy years following the passage of this legislation. Most retail energy contracts last for one to three years, therefore establishing this new requirement and creating a three year window allows retail suppliers the time needed to price their products to reflect these new requirements, and give their customers the cost certainty they need. Providing a three year window also allows the Board of Public Utilities (“BPU” or “Board”) adequate time to establish the clearinghouse and other necessary emission standards necessary to implement this legislation.

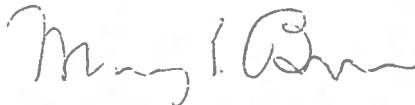
In addition to mandating that these new requirements take effect after three energy years following the passage of this legislation, RESA believes that the language should be modified to apply this same effective date requirement to any future increases in the percentage requirement. That is, RESA believes that any future increases to the percentage requirement should only be allowed three years after the publication of such an increase, to allow retail suppliers to adjust their pricing to reflect these new costs, for the same reasons as mentioned above.

RESA respectfully requests that language directing the Board to establish the alternative compliance payment in a timely manner be adopted. The alternative compliance payment is the benchmark used by retail suppliers to price their customer contracts. Mandating that the Board establish the price of the alternative compliance payment within 90 days after the enactment of the legislation, coupled with the language implementing these new alternative portfolio standards three energy years after the passage of this bill, gives retail suppliers the cost certainty needed to price their contracts.

Finally, RESA notes that A-1384 requires the Board to mandate that retail suppliers and BGS suppliers file tariffs with the Board reflecting the assessment and imposition of standby charges. Neither retail suppliers nor BGS suppliers currently file tariffs with the Board; this is a requirement for electric distribution companies (“EDCs”). RESA respectfully requests that this language be modified, as it would impose an unnecessary and unintended burden on retail suppliers.

RESA is concerned that without these suggested changes, A-1384 will have unintended and negative consequences for retail suppliers and their customers. We have attached proposed edits to the legislation which address our concerns and still fulfill the intent of the legislation. RESA respectfully requests that these proposed changes be included in A-1384.

Respectfully submitted,



Murray E. Bevan
Bevan, Mosca, Giuditta & Zarillo, P.C.
Counsel for the Retail Energy Supply Association
222 Mount Airy Road
Suite 200
Basking Ridge, NJ 07920
(908) 753-8300
mbevan@bmgzlaw.com

Dated: January 27, 2012

cc: Assemblyman Wayne DeAngelo (via electronic mail only)
Assemblywoman Marlene Caride (via electronic mail only)
Assemblyman Joseph Egan (via electronic mail only)
Assemblyman Angel Fuentes (via electronic mail only)
Assemblyman Gregory P. McGuckin (via electronic mail only)