



## Livingston Community Energy Aggregation Program ("LCEA")

### PSE&G Customers: Opting Out

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#### Why is this an opt-out program, rather than an opt-in program?

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**The 'opt-out' model for community energy aggregation is established in New Jersey State laws and regulations governing these types of programs.**

The program is configured this way to ensure that a sufficient number of households will participate to obtain a meaningful bid, and to avoid the costly and time-consuming process of having everyone affirmatively sign up for the program. Starting with a large pool of eligible customers provides for an opportunity that attracts suppliers to bid, which creates robust competition for your business and also allows suppliers to reflect bulk purchasing discounts in their price bids.

The aggregation rules incorporate consumer protections and recognize the logistical challenges of a residential procurement program, while at the same time providing a structure that will attract bidders.

#### How opt-in became opt-out

When the retail choice program was originally enacted in NJ in 1999, the rules required that government aggregators be required to obtain a so-called "wet signature" from each residential customer demonstrating the customer's affirmative consent to join. After several years, it was recognized that this "opt-in" approach put such a burden on programs that none got off the ground, and the model set forth in NJ law was changed to "opt-out" for residential customers. (N.J.A.C. 14:4-6.3 (i))

Unlike business customers, residential customers represent large numbers and (relatively) small usage/margins for each account. In order for an aggregation of residential customers to work, it is necessary to get large volumes with the lowest transaction costs as possible. This results in the opt-out approach, which gives suppliers a firmer basis for the load they are bidding on, but still provides residential customers with the ability to opt out.

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#### How do I opt out?

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Opting out of the LCEA program is easy – you have 5 options:

- **Sign and return** the postage-paid card enclosed with the LCEA Program letter that was sent to residents in April
- **Call** Direct Energy toll-free at 1-866-968-8065
- **Email** [lcea-livingston@directenergy.com](mailto:lcea-livingston@directenergy.com)
- **Visit** [www.gabelassociates.com/GEA](http://www.gabelassociates.com/GEA)
- **Email** [LCEA-info@gabelassociates.com](mailto:LCEA-info@gabelassociates.com)