ORDINANCE 2021-21 AN ORDINANCE TO AMEND THE CODE OF CHERRY HILL TOWNSHIP, COUNTY OF CAMDEN COUNTY, STATE OF NEW JERSEY, BY ADDING CHAPTER 18, AUTHORIZING THE ESTABLISHMENT OF A COMMUNITY ENERGY AGGREGATION PROGRAM THAT CREATES AN OPTION FOR 100% REGIONALLY SOURCED RENEWABLES 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 the 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 uses 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, the Council and the Mayor ("Mayor") of Cherry Hill Township ("Township") are interested in mandating 100% renewable electricity; 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, but renewable electricity created outside of the PJM grid cannot be directly utilized by residents of the Township; 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 seeks to establish a Government Energy Aggregation Program ("Program") for the provision of electricity within the Township, for the purpose of obtaining power supply cost savings for residential and business participants in the Township; and WHEREAS, the Township will from time to time solicit proposals from electric power suppliers for electric generation services through the Program, in which the Township and its authorized personnel will be lead agents in administering the Cherry Hill Township Community Energy Aggregation Program ("CEA"); and WHEREAS, the Township will from time to time issue one or more Request for Proposals for electric generation services and energy aggregation services on

behalf of the CEA pursuant to the Local Public Contract Law, the Government Energy Aggregation Act, and the Electric Discount and Energy Competition Act; and WHEREAS, the Township is interested that the energy provided by CEA entirely come from renewable energy sources as soon as practicable, and the CEA 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 will only award contracts for said electric generation service and energy aggregation services to electric power suppliers that are deemed qualified; and WHEREAS, state regulations at 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.l et seq. requires the Program to be established by ordinance. NOW, THEREFORE, BE ORDAINED and enacted by the Council of Cherry Hill Township, in the County of Camden, New Jersey, that the Code of Cherry Hill Township is amended by adding Chapter 18 as follows: Chapter 18. Community Energy Aggregation § 18-1 Authorization. Cherry Hill Township ("The Township") hereby establishes a Community Energy Aggregation Program for residential and non-residential customers, 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. l, et seq. § 18-2. Lead Agency. The Township shall be the lead agency and any agreements entered into in connection with the Community Energy Aggregation Program by authorized personnel shall be subject to review by the Township. § 18-3. Electric Distribution Aggregation Agreement; Terms; Master Performance Agreement. A. The Mayor of the Township ("Mayor") 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 the Township, with PSE&G. 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 Township shall oversee the Community Energy Program ("CEA") as lead agency and, in that capacity, and consistent with applicable rules, shall solicit requests for proposals for electric generation service and energy aggregation services on behalf of the Township's residents and businesses. The Mayor may execute and enter into a contract for such services, subject to § l 8-3(c)-(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. § l4:4-6.9(g). Pursuant to the regulations of the Government Energy Aggregation Act, a public notice of the CEA will be issued whereby non-residential energy consumers may opt into the CEA and residential customers may opt out. C. The CEA must be fully implemented within one (1) year of the passage of this ordinance. Request for proposals for electricity generating services must state that no contract will be awarded unless it has an option for customers to opt up to l 00% renewable electricity and a minimum percentage of renewable electricity for all program participants of: 50% from program inception through December 31, 2021; 60% from January l , 2022 through December 31, 2023; 70% from January l, 2024 through December 31, 2025; 80% from January I ,

2026 through December 31, 2027; 90% from January l, 2028 through December 31, 2029; and 100% after December 31, 2029. D. The renewable electricity attributes for the CEA will be NJ PJM Renewable Energy Credits from the current calendar year, unless the municipality opts to enter into a power purchase agreement with a solar or wind energy provider to provide both energy and attributes together to meet some or all of the requirements of § 18-3(c).The Mayor may not execute and enter into a contract for electricity generating services unless it meets the renewable percentages specified in § 18-3(c). E. The Mayor may also execute a master performance agreement that obligates the participants in the CEA to purchase electricity at terms and conditions stated therein with a third-party supplier who has been awarded the contract by the Township on behalf of participating members of the CEA, and provided that such contract shall be at prices reasonably forecast and estimated by the Township to provide for basic generation service by PSE&G. BE IT FURTHER ORDAINED that if any article, section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect, and to this end the provisions of this ordinance are hereby declared severable. BE IT FURTHER ORDAINED that all other ordinances in conflict or inconsistent with this Ordinance are hereby repealed, to the extent of such conflict or inconsistency. In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the Township, the provisions hereof shall be determined to govern. BE IT FURTHER ORDAINED that nothing in the passage of this ordinance shall be construed as preventing Cherry Hill Township from making its CEA inoperable during the Faulkner Act's 3-year repose period, if applicable, by entering into a regional CEA that has equivalent or higher renewable energy percentages and the same or shorter timeframes for milestones as set forth in § 18-3(c). BE IT FURTHER ORDAINED that this Ordinance shall take effect 20 days after passage and publication, as provided by law. Notice is hereby given that the foregoing ordinance was introduced at a Meeting of the Township Council of the Township of Cherry Hill, County of Camden, State of New Jersey, held on November 22, 2021and was read for the first time. This ordinance will be further considered for final passage by the said Cherry Hill Township Council on December 7, 2021, at the Cherry Hill Carman Tilelli Community Center, 820 Mercer Street, Cherry Hill, NJ, a meeting beginning at 7:00 PM or at any time and place to which such meeting may be adjourned. All persons interested will be given the opportunity to be heard concerning such ordinance.