COMMUNITY CHOICE AGGREGATION

Select Board Presentation
Michael Lindstrom
December 16, 2019
2019-2020 GOALS AND OBJECTIVES
ENERGY & SUSTAINABILITY

Continue to adhere to and expand upon the principles of being a Green Community, including investment in fuel efficient vehicles and alternative energy sources and identify dedicated resources within the FY 2020 budget to support these efforts

- Identify a dedicated funding resource to advance Town wide Sustainability goals, including personnel changes and/or the execution of contract(s) for professional services, which shall be funded within the FY 2020 approved budget, while not increasing the number of full time, benefited employees and seeking available private and public grants and regional opportunities.

- Identify a Sustainability Coordinator to develop a climate and sustainability action plan to address climate impacts, disaster preparedness, and sustainability for town and residents

- Work with Andover Green Advisory Board to evaluate Community Choice Aggregation options

- Explore opportunities to invest in Climate Resiliency through the Municipal Vulnerability Preparedness (MVP) grant program and submit application for funding to support recommendations of the plan

- Develop a plan and scope for a Street Tree program including establishing a budget that plans for the removal of hazardous trees and the replanting of trees that are appropriate for their surroundings and environment
COMMUNITY CHOICE AGGREGATION

- Community Choice Aggregation (CCA) is a state-regulated program that addresses a growing demand by Massachusetts electricity consumers to purchase renewable energy at competitive prices.

- Also known as Municipal Aggregation, the program authorizes a municipality to negotiate prices and terms with competing electricity suppliers on behalf of the community. Over one hundred Massachusetts towns and cities already participate in this program today.

- Through CCA, Andover would be able to purchase energy with a higher renewable content than required by the Massachusetts Renewable Portfolio Standard, in keeping with the town's values as a designated Massachusetts Green Community.

- The program would give consumers greater control over the price and content of their electricity supply by offering one or more alternatives to National Grid Basic Service. It would also allow customers to resume National Grid Basic Service at any time, with no penalty or fee. For all customers, National Grid would continue to be the distributor and billing agent.
Why bring Community Choice Aggregation to Andover?

Rate Stability

Utilities are restricted in how they procure Basic Supply Service which leads to pricing spikes, often in the winter. Aggregations typically contract for 1 to 3 years at a fixed rate providing predictability and stability for budgeting.

Local Renewable

Program allows Andover to purchase energy with a higher renewable content than required. Local renewable energy leads to job creation as well as overall sustainability locally. Not all clean energy is created equal.

Potential Savings

Aggregation allows for securing competitive pricing through bulk purchasing to time the Town’s bid to avoid bad markets and lock in good prices. Although not guaranteed, residents typically see savings over the life of the contract. Focus needs to be on long term savings.
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<tbody>
<tr>
<td>Stakeholder sub-committee explores concept of bringing CCA to Andover</td>
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<td>Town researches and interviews prospective energy brokers</td>
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<td>Town chooses Good Energy and begins community outreach</td>
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<td>CCA initiative introduced to Andover Select Board</td>
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<tr>
<td>Town hosts initial community forum on Community Choice Aggregation on 1/8/20</td>
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<tr>
<td>Drafting of CCA article for Annual Town Meeting Warrant</td>
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<tr>
<td>Education campaign leading up to Annual Town Meeting regarding CCA</td>
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Massachusetts General Law, M.G.L. c. 164 sec. 134, outlines CCA rules. Implementation requires the following steps:

- Vote at Town Meeting to authorize the town to initiate the program
- Create a design team that works with Good Energy to develop rate options
- Plan the program in consultation with MA Department of Energy Resources
- Make the plan available for review by citizens
- Approval of the plan by the Select Board
- Submit the plan to MA Department of Public Utilities for final approval
Town of Andover

Community Choice Aggregation
December 16, 2019
Electricity Choice

Supply
Sources of electricity
You can choose

Delivery
Wires and poles
Always the utility

Customer
Single Bill

By default, National Grid provides supply, called Basic Service....
Electricity Choice

Supply
Sources of electricity
You can choose

Delivery
Wires and poles
Always the utility

Customer
Single Bill

… with aggregation, a city or town uses a competitive bid to select a new supplier on behalf of all its residents and businesses currently receiving Basic Service supply
Community Choice Aggregation

**Secure Competitive Pricing**
Utilities bid Basic Service supply on a mostly fixed schedule. CCA’s can choose when to bid, providing the opportunity to avoid bad markets and lock in good prices. Your size also provides substantial buying power.

**Ensure Price Stability**
Basic Service prices change every 6 months. Aggregations typically contract for 1 to 3 years at a fixed rate. Especially valuable for fixed-income populations.

**Are savings guaranteed?** Savings compared to Basic Service cannot be guaranteed. Basic Service prices are only known 6 months in advance for Residential & Small Businesses and 3 months for Large Businesses.
# Community Choice Aggregation

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Expand Consumer Choice</strong></td>
<td>The CCA will have a default rate but can also offer optional rates, typically with more or less renewable energy.</td>
</tr>
<tr>
<td><strong>Use &amp; Build Renewable Energy</strong></td>
<td>Use your buying power to help build new, local resources by including more renewable energy in your electricity than state minimum requirements.</td>
</tr>
<tr>
<td><strong>Safe Alternative to Unscrupulous Offers</strong></td>
<td>Contract terms designed to protect the consumer.</td>
</tr>
<tr>
<td></td>
<td>E.g. no penalty to leave at any time, fixed price for entire terms, and transparent messaging at all times.</td>
</tr>
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Community Choice Aggregation

• Automatic enrollment of all customers on Basic Service supply

• Opt-out before program begins or anytime during, without penalty. Extensive education and outreach done to facilitate opt-out.

• National Grid continues to handle billing and maintenance (e.g. power outages)

• Does not affect net metering or any low-income discount rates
Implementation Steps

1. Pass Article at Town Meeting
2. Develop draft aggregation plan and solicit public input
   Typically includes “design team” and ad hoc meetings with stakeholders
3. BOS approves aggregation plan
4. Good Energy files aggregation plan with DOER
5. DOER consultation letter received, plan submitted to DPU
6. DPU issues Order approving aggregation plan
7. RFP for competitive supplier issued
8. Bid awarded to winning supplier
9. Public education and opt-out campaign for eligible residents and businesses
10. Accounts enrolled on meter read, power flows at new rate with additional local renewable energy
Pioneers for Green Aggregation

**Green aggregation** - Using the default rate of the CCA to support new renewable energy

2016 Good Energy and Green Energy Consumers launched first green aggregations: Melrose & Dedham

2016-2018 3-year partnership between Good Energy & Metropolitan Area Planning Council to scale green aggregation
Green Energy Consumers Alliance

**Bringing Projects to Life**

Enters into long term contracts that help new facilities get built
Green Energy Consumers Alliance

Supporting Cleanest Sources

• Only zero-emission or methane-destroying resources

Keeping Your Impact Local

• Majority of voluntary renewable energy from MA & RI
• None from outside New England

Good Energy Procurement Track Record

• Saved ALL our aggregations money to date

• Over $50,000,000 saved for our MA Communities

• Strategic patience
Remember: There is no guarantee of savings under the aggregation program as compared to the utility Basic Service rate because the Basic Service electric supply charge changes every 6 months for residential and small business customers and every 3 months for large business customers.
Residential Savings Analysis for Currently Active Aggregations (Continued)*

### 2017 (Launch July/August 2017) vs. 2018 vs. 2019 (Known rates June 30, 2019)

<table>
<thead>
<tr>
<th>Community</th>
<th>Type</th>
<th>Savings/Loss</th>
<th>Percentage</th>
<th>Savings/Loss</th>
<th>Percentage</th>
<th>Savings/Loss</th>
<th>Percentage</th>
<th>Total Loss/Savings</th>
<th>Extra MA Class I RECs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arlington</td>
<td>ES</td>
<td>$776</td>
<td>0%</td>
<td>$1,013,373</td>
<td>11%</td>
<td>$1,057,875</td>
<td>22%</td>
<td>$2,072,024</td>
<td>5%</td>
</tr>
<tr>
<td>Brookline</td>
<td>ES</td>
<td>$(133,957)</td>
<td>-3%</td>
<td>$1,120,007</td>
<td>8%</td>
<td>$1,375,365</td>
<td>9%</td>
<td>$2,361,415</td>
<td>25%</td>
</tr>
<tr>
<td>Somerville</td>
<td>ES</td>
<td>$83,109</td>
<td>2%</td>
<td>$1,518,976</td>
<td>13%</td>
<td>$1,464,463</td>
<td>23%</td>
<td>$3,066,548</td>
<td>5%</td>
</tr>
<tr>
<td>Sudbury</td>
<td>ES</td>
<td>$1,756</td>
<td>0%</td>
<td>$723,397</td>
<td>11%</td>
<td>$745,697</td>
<td>22%</td>
<td>$1,471,391</td>
<td>5%</td>
</tr>
<tr>
<td>Winchester</td>
<td>ES</td>
<td>$(28,660)</td>
<td>-1%</td>
<td>$653,509</td>
<td>10%</td>
<td>$732,763</td>
<td>20%</td>
<td>$1,357,612</td>
<td>5%</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td><strong>$(76,976)</strong></td>
<td></td>
<td><strong>$5,029,262</strong></td>
<td></td>
<td><strong>$5,376,163</strong></td>
<td></td>
<td><strong>$10,328,990</strong></td>
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### 2017 (Launch July 2017) vs. 2018 vs. 2019 (Known rates through April 30, 2019)

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<tr>
<th>Community</th>
<th>Type</th>
<th>Savings/Loss</th>
<th>Percentage</th>
<th>Savings/Loss</th>
<th>Percentage</th>
<th>Savings/Loss</th>
<th>Percentage</th>
<th>Total Loss/Savings</th>
<th>Extra MA Class I RECs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charlton</td>
<td>NG</td>
<td>$120,098</td>
<td>10%</td>
<td>$466,362</td>
<td>15%</td>
<td>$228,526</td>
<td>24%</td>
<td>$586,460</td>
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<tr>
<td>Millbury</td>
<td>NG</td>
<td>$112,352</td>
<td>10%</td>
<td>$422,044</td>
<td>13%</td>
<td>$213,931</td>
<td>24%</td>
<td>$534,396</td>
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</tr>
<tr>
<td>Oxford</td>
<td>NG</td>
<td>$119,999</td>
<td>10%</td>
<td>$422,169</td>
<td>13%</td>
<td>$228,337</td>
<td>24%</td>
<td>$542,168</td>
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<tr>
<td><strong>TOTALS</strong></td>
<td></td>
<td><strong>$352,449</strong></td>
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<td><strong>$1,310,575</strong></td>
<td></td>
<td><strong>$670,794</strong></td>
<td></td>
<td><strong>$1,663,024</strong></td>
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*Excludes the following communities that launched their programs within the last 5 months. However, all of these programs launched at a rate below basic service. Stoneham, Hamilton, Gloucester, Melrose, Avon, Rockland

**Remember:** There is no guarantee of savings under the aggregation program as compared to the utility basic Service Rate because Basic Service electric supply charge changes every 6 months for residential and small business customers and every 3 months for large business customers
**Awareness Building Mailers**

**Coming in Early 2017**
Brookline Green Electricity

Providing Greener Electricity to Residents and Businesses Using Brookline’sBulk Purchasing Power

**Town of Brookline**
Community Choice Aggregation

The Town of Brookline is rolling out Brookline Green Electricity for residents and businesses in early 2017. This Community Choice Aggregation program uses bulk purchasing to offer competitive supply pricing and rate stability for consumers. Plus, it provides more renewable energy options to reduce our reliance on carbon-producing fossil-fuels.

**Benefits**
- Competitive pricing and rate stability
- A choice of renewable energy options
- Option to leave program without penalty

**Plan Options**

**Brookline Green** (automatic enrollment)
Delivers up to 25% more renewable energy than what is required by the Commonwealth

Or, select one of these alternatives:
- **Brookline All Green:** Provides up to 100% renewable energy
- **Brookline Basic:** Includes the same amount of renewable energy as Eversource’s basic service

Look for our notice in your mailbox in November.

**Features**
- Automatic enrollment with 30-day opt-out
- No contract to sign or installation required
- No change in Eversource services
- Receive a single bill from Eversource
- Contact Eversource for billing issues or outages
- Keep Budget Billing

*Pick up your free window cling at Town Hall!*

For more information: (800) 931-6221
info@brooklinegreen.com
Dedham Electricity Program

In early 2016, the Town of Dedham joined 22 other communities to launch a community electricity aggregation (CEA) program designed to provide residents and businesses with competitive choice, long-term price stability, and reduced electricity rates. Also known as municipal electricity aggregation, the program relies on bulk-purchasing methods that generate economies of scale, resulting in reduced electricity supply costs for participating Eversource account holders.

The electric rate is fixed at 10.272 cents per kilowatt hour (kWh) from January 2018 to January 2021. This rate includes an additional 5% local renewable energy in the form of MA Class I RECs supplied by the Mass Energy Consumer’s Alliance. This

Dedicated Website

https://masscea.com/dedham/
Opt-Out Mailers

City of Melrose
Community Electricity Aggregation Program

September 4, 2019

Dear Basic Service Customer,

The City of Melrose approved a Community Electricity Aggregation program authorizing the city to aggregate the electricity load (usage) of residents and businesses that are on Basic Service with National Grid.

You will be automatically enrolled in the Melrose Community Electricity Aggregation program, unless you choose not to participate. Through this program, National Grid will continue to deliver your electricity, however the City will select its own supplier to increase the amount of renewable energy in your electricity.

### Competitive Choice

After a competitive bid process, NextEra Energy Services was selected as our Electricity Supplier with a contract starting in June 2019 and expiring in November 2023. The goals of the program are to provide you with competitive choice, longer-term price stability and more renewable energy options.

### Participation

If you want to participate, no action is required! National Grid will continue to deliver your electricity, respond to emergencies and outages, and bill you, however, your supplier will be NextEra Energy Services.

- **Budget Plan or Eligible Low-Income** delivery rate consumers will continue to receive those benefits from National Grid.
- **Solar Electricity Consumers** will not be impacted and will continue to receive their net metering credits while participating in the Program.

You can leave the program anytime after you’ve enrolled, with no early termination fees! This will occur during the next available billing cycle, where upon your account(s) will be returned to National Grid’s Basic Service.

If you choose to participate, simply sign and return the enclosed card in the postage-paid envelope on or before October 10, 2019 to avoid automatic enrollment in the aggregation program.

If you are receiving electricity supply from a competitive supplier and believe you have received this opt-out letter in error, you must sign the attached card and opt out of this Program. This will ensure you continue to receive your electricity from that Competitive Supplier and prevent any possible early termination fees.

If you have already chosen a green power supply option on your own, you must opt out of this program. This will ensure you continue to receive your electricity from that Green Power Supply.

### Rates

<table>
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<tr>
<th>Rate Class</th>
<th>Residential</th>
<th>Small Business</th>
<th>Large Business</th>
<th>Duration</th>
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</table>
| Melrose Local Green | $0.1059/kWh    | $0.1062/kWh    | $0.1052/kWh    | June 2020 – November 2021
| Melrose Premium 100 | $0.1299/kWh    | $0.1304/kWh    | $0.1296/kWh    | Residential and Small Business rates change every six months. |
| Melrose Basic       | $0.1042/kWh    | $0.1045/kWh    | $0.1043/kWh    | May 1, 2019 – October 31, 2019 |
| Current National Grid Basic Service | $0.1060/kWh | $0.1066/kWh | $0.1063/kWh | No change |

Rates indicated above are for Supply Services only. Administrative adder for all Melrose programs are included in above rates. This fee is $0.001/kWh for the aggregation consultant.

The primary intent of the program is to provide price stability and savings over the duration of your monthly term. However, National Grid’s rates for electric supply change every six months for Residential and Small Business customers and every three months for Large Business customers. Thus, National Grid’s Rate Service rates may be below the Standard Program rates for Residential customers during any subsequent period.

### For More Information

- Visit www.MelroseCEA.com, or call toll-free at (888) 214-8638
- Contact NextEra Energy Services at (855) 659-8058 between 9AM – 5PM, or at neenergy@nexteraenergyservices.com
- For National Grid’s electricity rates, visit:

Please refer to the Basic Service category to determine the best option for you.

John Smith
Board of Alderman/Mayor
Social Media Campaigns and Resources