

***Warrant Article tbid – Community Choice Energy Aggregation
– Sponsored by the Medfield Energy Committee –
DETAILED OVERVIEW, QUESTIONS & ANSWERS***

To see if the town will authorize the Board of Selectmen to initiate the process of seeking to aggregate electrical load through a Community Choice Aggregation Program (CCA) and contract for Medfield residents as authorized by M.G.L. 164, Section 134, and through CCA, decrease greenhouse emissions for the town's residents by pursuing a percentage of Class I designated renewable energy that is greater than that required by the Massachusetts Renewable Portfolio Standard (RPS).

What is Community Choice Aggregation (CCA)?

CCA is a program that allows local governments to procure power on behalf of their residents from an alternative supplier while still receiving transmission and distribution service from their existing utility provider (Eversource in Medfield). Nearly half of Massachusetts cities and towns have engaged with CCA programs since this was authorized by the Mass. Utility Restructuring Act (1997). Massachusetts was first, but today, seven states have programs that serve more than five million customers nationwide.

Through a competitive bidding process for electricity supply, the town has an opportunity to get a better price and add renewable energy sources to our electricity. The warrant article allows the town to explore aggregation but does not obligate it to pursue aggregation if conditions are not favorable.

Why is CCA a good idea?

CCA is attractive for any community that wants more green power than is offered by default, more supply options, and/or lower electricity prices. By aggregating, a community gains leverage to negotiate better rates with competitive suppliers and to choose greener power sources. By choosing sources that are greener-than-default (more Class I RECs), CCAs can help accelerate implementation of renewable power sources in the state and region.

What is the Win-Win for Medfield Residents?

This program can provide Medfielders more choice for electrical energy supply. Residents will have a well-vetted supplier without having to research individually. Many towns have been able to increase their green power content while offering rates comparable to or better than what is currently paid to Eversource. This is dependent on market conditions. Residents may opt-out, reverting to the Eversource basic rate, at any time, without penalty.

Other benefits, besides cost savings and renewable energy content, are:

1. Consumer choice, flexibility and vetted offerings.

- a. Multiple energy options are explored and vetted.
- b. Residents will likely have multiple options within the CCA to choose a rate/green energy content that meets their goals/desires
- c. Residents can always opt out of the CCA before the program begins or at anytime during the program and remain/return to Eversource Basic Service. Residents can also move back to the CCA without penalty.

2. Stability and competitive rates.

- a. Through CCA, Medfield can negotiate longer term (2-3 year) supply contracts, in contrast to Eversource Basic Service rates which change every six months.
- b. By aggregating demand, Medfield can gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

3. Address the climate crisis with increased use of renewable energy

- a. Medfield can have local control over electricity sources, including more green power than is offered by the default utility
- b. Medfield can offer electricity with more renewable energy beyond the Massachusetts mandated 16% Renewable Portfolio Standard in 2020. A greater percentage of renewable energy reduces our collective greenhouse gas emissions.

What does approving this Article commit Medfield to?

With approval at Town Meeting, Medfield will be allowed to apply to become a municipal aggregator and investigate alternative supply options. *It does not commit the town to do anything besides this* but is a necessary step for the town to pursue and evaluate options. The Selectmen, for any reason, can later choose to accept or to not move forward after receiving bids.

What are the downsides of CCA?

This is a win-win program for the residents of Medfield.

There are no anticipated costs beyond minimal Town staff support.

There are many paths forward and many built in check points and controls for this regulated program which will provide Medfield consumers with several choices, including the ability to opt out and return to Eversource's Basic Service at any time, without penalty. In addition, since the program is vetted by both the Department of Energy Resources and the Department of Public Utilities, there is price transparency and consumer protection built in.

What will the program cost?

The minimal cost of managing the program will be incorporated in the new negotiated rate. Medfield will engage an energy broker to manage the process, logistics, and marketing. In many towns, the sourcing and management cost has been substantially less than the savings generated by the programs, meaning net savings for electrical consumers.

How does CCA work and what happens to Eversource?

Typically, Eversource provides two services to you as an electricity customer:

- **Electricity delivery:** Eversource's primary role is as an electricity delivery company. They deliver electricity to you, maintain the poles and wires, and address power outages. They charge you for these services on the **Delivery** part of your Eversource electricity bill.
- **Electricity supplier:** For most people, Eversource also provides a second service, which is as an electricity supplier. They purchase electricity on your behalf and charge you on the **Supply** part of your Eversource electricity bill for the amount you use. When Eversource is your electricity supplier, you have what is known as Eversource's Basic Service.

Electricity aggregation (CCA) replaces your electricity supplier, and it impacts the Supply portion of your Eversource electric bill. But electricity aggregation does not replace Eversource as your electric utility. Eversource will continue to deliver electricity to you, maintain the poles and wires, and address power outages, but they will no longer be your electricity supplier. Instead, the Town of Medfield would select a supplier, and the price that the Town negotiates will be used to calculate the Supply portion of your Eversource electricity bill. It is anticipated that residents will be able to choose among two or three options that have varying renewable (green) content, with one option being the default.

What will be different for me with an Electricity Aggregation Program?

Not much; the change will be mostly transparent to you. Eversource will bring electricity to your home/business, service the lines as before, and send you a bill which looks substantially the same. Only the supplier listed on your bill will change.

- You will call Eversource if your power goes out. Eversource will deliver your electricity, restore service after an outage, and maintain the poles and wires.
- If you receive net metering credits from solar panels on your Eversource bill, those will be calculated on the Eversource Basic Service rate, not on the program rate.
- If you are eligible for a low-income discount, you will continue to receive that discount.

What is the process for bringing CCA to Medfield?

After a Town Meeting vote to authorize CCA¹²:

Medfield Energy Committee takes direction from Selectmen & Town Administrator to move the CCA process along to

1. Hire an energy broker with deep experience in CCA
2. Create an aggregation plan and hold a public review process
3. Secure state regulatory approval for the aggregation plan
4. Tell the community about the aggregation program through public outreach channels
5. Procure electricity & renewable energy through competitive bidding process
6. Enrollment announcement and Opt-Out periods
7. Monitor program participation and market Opt-up to a higher green energy option

Participating in the Program

All electricity customers in Medfield who currently have Eversource's Basic Service plan would be automatically enrolled into the Medfield Electricity Aggregation program, but may opt out at any time, either in the 30 day window before the program starts or during the duration of the program. If you choose to opt out, Eversource will be your electricity supplier, and the Supply portion of your electricity bill will be calculated using Eversource's Basic Service rate. There is no penalty for opting out.

¹ <https://cdn2.hubspot.net/hubfs/260434/State%20of%20GMA%20Report%202020.pdf>

² <https://www.mass.gov/doc/department-of-energy-resources-municipal-aggregation-guide/download>

Who is responsible for bringing the article forward? What is the thinking behind the CCA?

The Medfield Energy Committee, which has a mission to reduce the carbon emissions of the town, has determined that in addition to providing the advantage of purchasing power, this is a way to make a significant impact on the town's carbon emissions. Electricity is available with very low carbon/GHG emissions ("green"), such as produced by solar and wind, at pricing that is expected to be close or lower than the cost of traditional generation from fossil fuels. The committee recommends CCA as a good step for reducing Medfield's carbon emissions.

How many communities in Massachusetts have approved municipal aggregation? How much of Eversource's load in Eastern Massachusetts is served through municipal aggregation?

The Department of Public Utilities has approved aggregation plans for about 150 communities. A full list of communities can be found on the state's website, <https://www.mass.gov/info-details/municipal-aggregation#overview-> Approximately 10% of the electrical load in Eastern Massachusetts is currently served through Municipal Aggregation.

Will I lose the reliability that I am used to?

No. With aggregation, it is only the energy generator (supplier) that differs from what you have now. The transmission and delivery are the same. If for any reason the generator is unable to fulfill its supply obligations, Eversource by law, maintains the capacity to provide immediate generation back-up.

How do customers signup for a CCA program once negotiated by the town and how can customers leave that program or any other individual user provider plan?

When a CCA program is implemented, all residents and businesses participating in Eversource's Basic Service Plan will be enrolled automatically in the CCA unless a request for exclusion is made before the program begins. Once enrolled, any customer can unenroll at will, at any time, allowing that customer to return to Eversource's Basic Service or to sign up as an individual user with another provider's plan.

If no plans or energy prices are deemed acceptable, is there an obligation for the town to proceed?

No, the warrant article permits the town to investigate aggregation but does not obligate it to complete the program: the town is in control of moving forward. As an example, Gloucester MA was approved for CCA but waited 18 months for the right market conditions to develop before they moved forward with their aggregation, which adds 5% renewable electricity to the state required minimum.

What will happen to my bill? Will it go up?

The bill could vary from where it is in either direction. A bidding process from competitive suppliers ensures competitive pricing for the program. The Selectmen would make the final determination if the program should go forward. There is always the option to return to Eversource's Basic Service (opt out) at any time, without penalty.

Are there ways to help residents lower their electrical consumption/cost?

Visit MassSave.org to schedule a free home energy assessment which can help you lower your energy consumption.

What if I have solar panels?

Your net metering will work the same. You will continue to receive your net metering credits from Eversource at the current Basic Service rate.

Will CCA affect customers' payment program or Budget Billing?

Budget Billing or other payment programs will not be affected. In Eastern Massachusetts, payments to an energy supplier may not be allocated on a monthly basis (as with Eversource), but it may be quarterly.

I already use another competitive supplier, will that change?

No, you will stay with that supplier. Aggregation only occurs for customers with standard Eversource supply, i.e. Basic Service. You can change your supplier at any time but you should check on their cancellation policies since, unlike this program, there may be a penalty.

Isn't this government overreach? I like to make my own decisions.

If you are using standard Eversource supply, you have accepted their generation source by default. Instead, CCA allows the town to do its due diligence and vet various alternatives for you. Instead of confusing calls and letters suggesting you change energy suppliers, you can confidently know that Medfield has held a competitive bid process and weighed the alternatives and chosen the best supplier that has met the town's criteria. You can also opt-out of the program if you so choose at any time without penalty. In many cases, an electrical supply with more green energy has also resulted in lower costs for residents.

What does Eversource get out of CCA contracts?

Eversource is neutral on municipal aggregation programs. Such programs are permitted by Massachusetts law and every community has the right to consider this option. Eversource purchases electricity from suppliers and passes on that cost, with no profit added, directly to customers who are on the company's Basic Service supply option. Because Eversource does not take either a profit or a loss from generation supply, CCA does not directly affect Eversource's business when customers switch suppliers.

Can I change back to Eversource as my generator/electricity supplier?

Yes, anyone can choose Eversource's standard generation, or any other competitive supplier. Since Medfield's program will be an Opt-out program, you will have to actively opt-out to remain with Eversource's Basic Service generation. It should be noted that Massachusetts law requires that CCA be an Opt-out program.

What are the programs advertised to Medfield residents and businesses to "Lower Your Electric Bill"?

Private "Competitive Supplier Programs" (see definition below) procure bulk energy from independent energy providers and sell this energy to individual residents and businesses for a given term and rate (rates may change with each subsequent term) via Eversource's infrastructure and

invoice/payment system. Eversource's monthly statements print the Competitive Supplier Program name and the Supplier's "Generation Service Charge". These suppliers, bound by the same Massachusetts Renewable Portfolio Standard as Eversource, offer energy costs, which, over time, may or may not, in fact, be less expensive than Eversource's energy costs. They may or may not, as well, offer a higher percentage of renewables as required by RPS.

What is the difference between programs advertised to "Lower Your Electric Bill" and a Community Choice Energy Aggregation Program?

Programs described above and advertised to individual residents and businesses, are "Competitive Supplier Programs". While all programs seek to lower your electric bill, they are run very differently from a CCA. Competitive Supplier Programs set their own terms and conditions. Once signed up, it is up to the consumer to monitor the rates. Competitive Supplier Programs usually have a clause in the terms and conditions that states the consumer remains in the Program after the original rate and term have ended unless specific action is taken to cancel the contract. In many cases, there may be an exit fee. Municipal Aggregation (CCA) Programs are run by cities or towns. Once signed up, it is up to the city or town to monitor the rates. Having knowledge of the electricity market, the city or town continually looks out for their residents and business's best interests. Their goals are to provide low, stable rates and, optionally, "green" options (larger percentage of carbon free energy sources than required by RPS) to their citizens. Municipal Aggregation Programs have no entrance or exit fees.

Some Definitions

What is a "Competitive Supplier"?

A Competitive Supplier is a power supplier other than your Local Utility. Competitive Suppliers provide power supply to consumers either through a Municipal Aggregation Program or through a Competitive Supplier Program. Your electricity is being supplied by your Local Utility (Eversource) unless you have switched to a Competitive Supplier Program on your own. Your electric bill is divided into two parts: Delivery and Supply. The supply is no longer regulated (Massachusetts State regulation) and therefore can be provided by a Competitive Supplier. Delivery is still regulated and can only be provided by your Local Utility (Eversource). Your Local Utility (Eversource) will continue to deliver your power supply over the wires. However, the power running through those wires can be provided by a Competitive Supplier.

What is M.G.L. 164, Section 134?

This law authorizes Load Aggregation Programs (CCAs). It can be read in full at <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleXXII/Chapter164/Section134>

What is Class I renewable energy? is generated from renewable sources such as solar photovoltaics, wind, hydropower, geothermal and other sources that were built after 1997 and do not create carbon emissions that coal, oil and natural gas do. This Massachusetts Class I designated-renewable energy is generated in the ISO New England control area, as well as in the adjacent control areas (northern Maine, New York, Quebec, or the Canadian Maritime Provinces).³

³ <https://www.mass.gov/files/documents/2017/10/02/225cmr14.pdf>

What is the Massachusetts Renewable Portfolio Standard (RPS)?

The Massachusetts Renewable Energy Portfolio Standard (RPS) requires retail electricity suppliers (both regulated distribution utilities and competitive suppliers) to obtain a percentage of the electricity they serve to their customers from qualifying renewable energy facilities⁴. In 2020 the percentage of Class 1 Renewable Energy required (Class 1 RECs), by State regulation, is 16%.⁵ Following legislation in 2018, the RPS will begin increasing by 2% in 2020 for 10 years. After 10 years it will drop back down to 1% annual increase in 2030 and thereafter. This will bring the percentage of renewable energy bought by MA and generated in New England as a result of the RPS to 55% by 2050.⁶ Massachusetts' Renewable Energy Portfolio Standard (RPS) was one of the first programs in the nation that required a certain percentage of the state's electricity to come from renewable energy.

Where can I get More Information? Additional information, including links to CCA programs in other towns (Arlington, Ashland, Brookline, Hamilton, Natick, Walpole) are available at: town.medfield.net/ (link to MEC page with additional info) and <https://www.mass.gov/info-details/municipal-aggregation>.

Arlington MA <https://arlingtoncca.com/>

Ashland MA <https://www.ashlandmass.com/606/Community-Aggregation-Program>

Brookline MA <https://www.brooklinema.gov/1340/Brookline-Green-Electricity>

Dedham MA <https://masscea.com/dedham/>

Hamilton MA <https://hamiltoncca.com/>

Natick MA <http://masspowerchoice.com/natick>

Walpole MA <http://masspowerchoice.com/walpole>

⁴ <https://www.mass.gov/service-details/program-summaries>

⁵ <https://www.mass.gov/service-details/annual-compliance-information-for-retail-electric-suppliers>

⁶ <https://www.massclimateaction.org/recs>