Community Electricity Aggregation Program

(CEA)

March 26, 2015

Ross Perry - SRPEDD
Stefano Loretto – Good Energy

Selection of Good Energy for Municipal Aggregation

Researched leading Aggregators. Sent solicitation to 6 companies with detailed scope of services . Project committee interviewed 3 companies.

Unanimous decision to select Good Energy:

- Strong marketing and public outreach proposal.
- Experience and depth of personnel .
- Extensive history with Aggregations in other states.
- Drive Aggregation process.
- Power broker, bid management.
- Independent Aggregator and consultant.
- "Sit on our side of the table".
- Fees are the same as all other proposals.
- Ongoing electricity consultant.

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- Opportunity for town residents and small business
  - Lower electricity supply rates
  - Stable monthly charges, long term budget certainty
  - Local control over contract terms and % of alternative energy sources
  - Single bill from Local Distribution Company (**LDC**) (National Grid)
  - Continue to contact LDC for service
  - Opt Out provisions and NO terminative penalties
  - Shelter residents from dubious offers
  - Gain energy consultant for every household

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- Negotiation Power
  - Combine the 16,000+ households in Attleboro to negotiate more favorable electric power contracts
  - SRPEDD is combining multiple communities
    - To date 14 have voted yes = 150,000 + households, over 1 billion kWh
  - Expect favorable terms similar to the largest commercial customer

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- Process
  - Authorized by M.G.L. Chapter 164, Section 134
    - City Council vote
    - DOER review
    - DPU filing
    - Public Hearings
    - All rate classes continue
    - RFP for power, subject to community terms and acceptance
    - OPT-Out provisions

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- City Council Vote
  - Authorizes Mayor to participate and negotiate electric contracts for residents and small business
    - It provides an option
    - No requirement to change if terms aren't favorable
  - Rate payers still receive one bill from LDC
  - Rate payers still contact LDC for all service issues
  - LDC isn't a supplier, only a distributor and treats all customers the same

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Overview of the Timeline

• Spring 2015	Approve Motions and Articles.
• Summer 2015 :	Submit all plans to DOER/Approve plans at Council. Submit plans to DPU.
• Fall 2015:	Issue RFP to competitive suppliers.
• November, 2015	Bid responses opened, winning supplier selected. 30 day opt-out period begins.
• Dec-Jan, 2015:	Opt-out period ends, accounts enrolled on meter read Coincident with National Grid winter rate change.

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- Municipal Activities
  - Minimal
    - Review education and outreach material
    - Approve DPU filings
    - Review, reject, or accept power contract the day of the RFP due date
    - Refer questions to Good Energy
      - New web site: http://srpedd-muniagg.com/
      - Phone support
  - Good Energy and SRPEDD handle most of the administrative work

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- Regional Economic Stimulus
  - Estimated household savings
    - National Grid customers $80 - $150/year
    - Attleboro residents & small businesses save $1.73M /year
  - 150,000+ households in program to date
    - Regional savings ~$13,900,000 per year
      - CEA expected to sign 2 or 3 year power contracts

POWER TO THE PEOPLE

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SUPPORTING SLIDES

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- Why now?
  - Coal and Nuclear power plants shutting down
  - Natural gas distribution problems
  - DPU requires LDC to bid at specific times
    - The CEA can bid strategically when the market is most favorable
  - Market is still rebounding from the impacts of the 'polar vortex' from last winter

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THE PROBLEM:

Highly volatile and rising electric costs caused by natural gas supply constraints and regulated utility purchasing.

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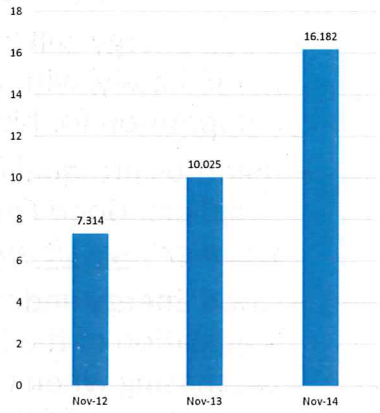
National Grid Rates

National Grid supply rates for Basic Service increased to over $0.16 per kWh on November 1, 2014.

The chart shows National Grid rates for the last two Winters and this coming Winter.

Nat Grid last three winter rates



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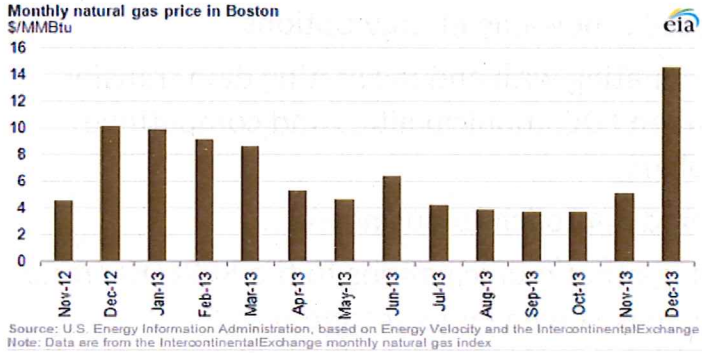
Volatile Energy Markets

DECEMBER 6, 2013

December natural gas prices spike in Boston



Source: U.S. Energy Information Administration, based on Energy Velocity and the IntercontinentalExchange (ICE)
Note: Data are from the IntercontinentalExchange monthly natural gas index

Increasingly over-dependent on supply-constrained natural gas generation.

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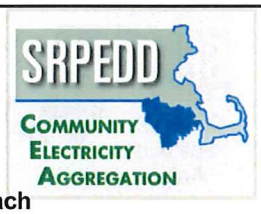
- Structure of the CEA bid
  - Good Energy will begin talking to suppliers immediately, with a focus on maximum competition for bid day.
  - Rigorous pre-qualification of competitive suppliers. *Good Energy has no "preferred supplier", we sit on your side of the table*
  - Good Energy understands the most advantageous application of the Municipal Aggregation product; purchasing when the market is well-placed, for a longer term of 18-48 months.

- Structure of the CEA bid
  - Including wide range of national and locally sourced renewable energy options.
  - Coordinating with and facilitating data transfer between LDC, municipalities and competitive suppliers.
  - Tailored approach to businesses.
  - Adding other municipalities to the SRPEDD group to increase buying power (optional).



Education and Public Outreach

- Assistance at Town Meetings and Public Hearings.
- Development of public education plan ***with municipal officials*** to address the following:
  - -Identification of all outreach needs, tailored to individual communities.
  - -Public forums
  - -Media outreach and planning, TV, radio and print, understanding local relationships.
  - -Social media strategy, Facebook, Twitter.
  - -Cable access, and other outlets for video created exclusively for SRPEDD group.
  - -Website planning
  - -FAQ Flyer distribution, palm cards.
  - -Plan and book schedule of events for community groups.
  - -Meetings with chambers of commerce, business and service organizations.
- Launch of public outreach and education campaign 6 weeks before opt-out period.
- Good Energy will always use local resources for public outreach wherever possible.

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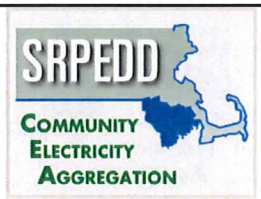

Bid Day

- Municipalities approve pre-authorization to sign prior to bid-day.
- Contracts from all bidding suppliers will be circulated to municipalities at least five business days before bid day. No termination fees. Budget billing.
- Good Energy will produce a pricing matrix with a variety of term lengths, energy mix products, from all suppliers .
- Individual communities can choose energy mix from winning supplier. Term length must be the same.
- Community fee language flexibility built into aggregation plan.
- All communities must sign on same day to mitigate market volatility premiums from winning suppliers.

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Opt-Out Period

- Opt-out letters tailored to individual communities and sent out by winning supplier after bid day.
- Work with municipalities to prepare a press release.
- Handle customer inquiries with our hotline number during initial opt-out period and beyond.
- Ensure smooth transition of accounts from utility to winning supplier.

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Bid Day Results

Harness the size of the group but tailor options to your community needs.

Term / Renewable	24	30	36	48
9%				
25%				
50%				
75%				
100%				

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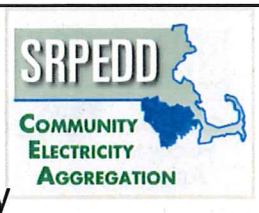

Why Good Energy

- Unanimously selected by the SRPEDD Municipal Aggregation Selection Committee.
- National Leader in Municipal Energy Aggregation: Over 150 cities and 550,000 households. $100 million saved. No community has left one of our aggregations.
- Completed largest ever renewable energy purchase for residents by a consultant, 200,000 households
- A National Company: Operating in all deregulated markets, we import best practices and ideas.

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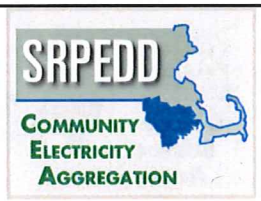

- Why Good Energy
  - Knowledge of the Markets: we handle billions of dollars in energy spend for our clients.
  - In-Depth Knowledge of over 40 Suppliers: We know their capabilities and understand that operational excellence is as important as price.
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- Why Good Energy
  - Best Contract Terms and Conditions: we know what to ask for and how to secure them.
  - Educating your Residents: Communication is key and we have by far the most comprehensive program.
  - Press and Media experience: we know how to work with local media to assist with education.
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Ongoing Services

- Monitoring
  - Savings over term length, including National Grid rate resets
  - Changes in laws and regulations at all government levels
  - Electricity markets, especially renewal opportunities
- Reporting
  - As required by DOER and DPU
  - To SRPEDD communities with enrollment and savings
- Managing
  - Ongoing enrollments
  - Media channels to keep the public informed
  - Relationships with suppliers
  - Exploring new energy efficient products and services

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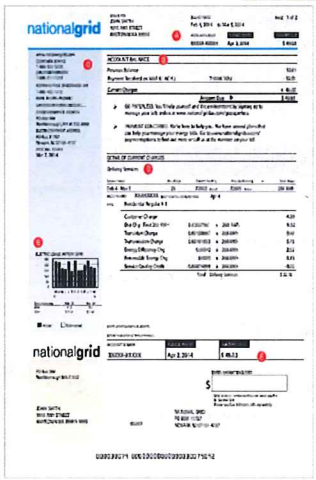

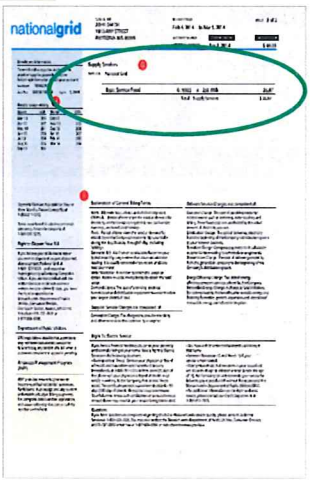

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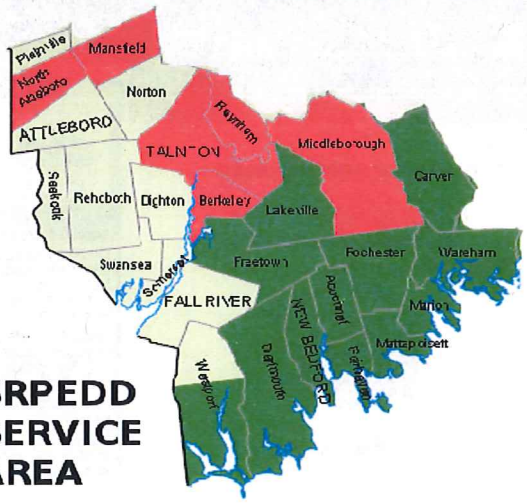
SRPEDD UTILITY MAP



SRPEDD SERVICE AREA

NGRID	HH
Fall River	38,633
Attleboro	17,437
Norton	7,049
Somerset	7,266
Swansea	6,102
Seekonk	5,082
Rehoboth	4,146
Plainville	3,305
Westport	3,200
Dighton	2,531
	94,751

NSTAR	HH
New Bedford	39,613
Dartmouth	13,613
Wareham	9,093
Fairhaven	6,901
Carver	4,263
Lakeville	3,786
Acushnet	3,963
Freetown	3,168
Westport	3,013
Mattapoisett	2,418
Rochester	1,804
Marion	1,963
	93,597

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http://www.srpedd.org/energy-aggregation

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Rehoboth Massachusetts
Incorporated June 4, 1645
ANAWAN ROCK
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Please Click on Link / Image Above:
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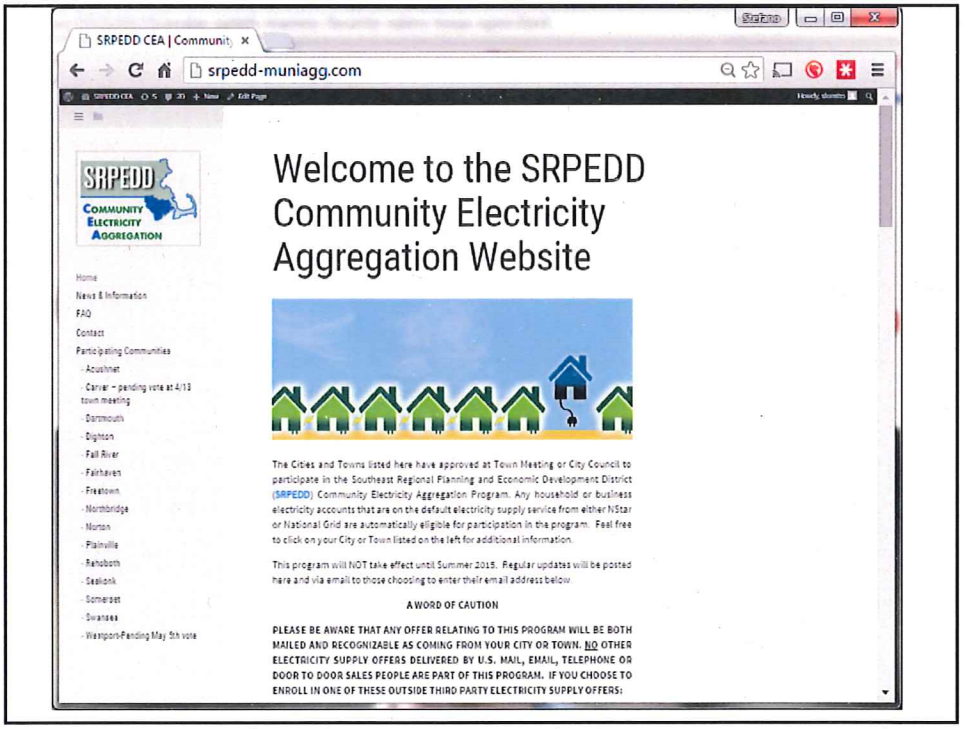
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Participating Communities
- Acushnet
- Carver – pending vote at 4/13 town meeting
- Dartmouth
- Dighton
- Fall River
- Fairhaven
- Freetown
- Northbridge
- Norton
- Plainville
- Rehoboth
- Seekonk
- Somerset
- Swansea
- Westport-Pending May 5th vote
Welcome to the SRPEDD Community Electricity Aggregation Website
The Cities and Towns listed here have approved at Town Meeting or City Council to participate in the Southeast Regional Planning and Economic Development District (SRPEDD) Community Electricity Aggregation Program. Any household or business electricity accounts that are on the default electricity supply service from either NStar or National Grid are automatically eligible for participation in the program. Feel free to click on your City or Town listed on the left for additional information.
This program will NOT take effect until Summer 2015. Regular updates will be posted here and via email to those choosing to enter their email address below.
A WORD OF CAUTION
PLEASE BE AWARE THAT ANY OFFER RELATING TO THIS PROGRAM WILL BE BOTH MAILED AND RECOGNIZABLE AS COMING FROM YOUR CITY OR TOWN. NO OTHER ELECTRICITY SUPPLY OFFERS DELIVERED BY U.S. MAIL, EMAIL, TELEPHONE OR DOOR TO DOOR SALES PEOPLE ARE PART OF THIS PROGRAM. IF YOU CHOOSE TO ENROLL IN ONE OF THESE OUTSIDE THIRD PARTY ELECTRICITY SUPPLY OFFERS: