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# **TOWN OF UPTON COMMUNITY CHOICE POWER SUPPLY PROGRAM AGGREGATION PLAN**

PREPARED BY

**COLONIAL POWER GROUP, INC.**

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## **PURPOSE OF THE AGGREGATION PLAN**

The Town of Upton (“Town”) developed this Aggregation Plan (“Plan”) in compliance with Massachusetts law regarding public aggregation of electric consumers. It contains required information on the structure, operations, services, funding, and policies of the Town’s Plan. The Plan has been developed in consultation with a municipal aggregation consultant (Consultant), initially Colonial Power Group, Inc. (CPG) and the Massachusetts Department of Energy Resources (DOER).

The purpose of this Plan is to represent consumer interests in competitive markets for electricity. It seeks to aggregate consumers in the Town to negotiate rates for power supply. It brings together the buying power of more than 8,000 consumers. Furthermore, the Town seeks to take greater control of its energy options, including enhancing the ability to pursue price stability, savings opportunities and the amount of renewable energy procured. However, savings cannot be guaranteed. Participation is voluntary for each consumer. Consumers have the opportunity to decline service provided through the Plan and to choose any Competitive Supplier they wish. The Town has distributed this Plan for public review prior to submitting it to the Massachusetts Department of Public Utilities (“Department”).

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# REQUIREMENTS FOR MUNICIPAL AGGREGATION

The Massachusetts Electric Utility Restructuring Act of 1997 (“Restructuring Act”) contains several requirements for municipal aggregators. One requirement is to develop an aggregation plan in consultation with the DOER. The Plan is subject to review by consumers in the participating municipality and approval by the Department.

## 1 THE PROCESS OF MUNICIPAL AGGREGATION

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Municipal aggregation involves a multi-step public process as follows:

- 1.1 Vote and Authorization to become a Public Aggregator
- 1.2 Development of Plan in Consultation with DOER
- 1.3 Review of Plan by Town Manager, Select Board and Consumers
- 1.4 Vote on Plan by Select Board
- 1.5 Submission of Plan for Department Approval
- 1.6 Public Hearing on Plan by Department
- 1.7 Selection of Date for Receipt of Price Terms from Competitive Suppliers
- 1.8 Selection of Competitive Supplier by Town Manager
- 1.9 Notification of Enrollment for Eligible Consumers<sup>1</sup>
- 1.10 Beginning of Opt-Out Period (37 days prior to first service date)
- 1.11 Transfer of Participating Consumers to Competitive Supplier

In addition to this process, municipal aggregators must comply with open meeting laws, ethical rules, and certain public bidding and information requirements.

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<sup>1</sup> The term “eligible consumers” is equivalent in meaning to “eligible customers” as defined by the Department in Municipal Aggregation Programs, D.P.U. 16-10, at 19 (2017). This includes (1) Basic Service customers; (2) Basic Service customers who have indicated that they do not want their contact information shared with Competitive Suppliers for marketing purposes; and (3) customers receiving Basic Service plus an optional green power product that allows concurrent enrollment in either Basic Service or competitive supply. This excludes (1) Basic Service customers who have asked their Local Distributor to not enroll them in competitive supply; (2) Basic Service customers enrolled in a green power product that prohibits switching to a Competitive Supplier; and (3) customers receiving competitive supply service.

## **2 UPTON'S COMMUNITY CHOICE POWER SUPPLY PROGRAM**

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The Town offers one program to achieve its goals: Upton's Community Choice Power Supply Program ("Program").

The Program is designed to offer competitive choice to eligible consumers and to gain other favorable economic and non-economic terms in service contracts, however, savings cannot be guaranteed. The Town does not buy and resell power, but represents consumer interests to set the terms for service. Through a competitive bid and negotiation process, the Town develops a contract with a Competitive Supplier for firm, all-requirements service. The contract runs for a fixed term. The process of contract approval contains checks and balances. Once the contract has been negotiated by the Town's Consultant, it must be submitted to the Town Manager for approval. And lastly, eligible consumers will be automatically enrolled in the Program unless they exercise their right to opt-out. Eligible consumers may opt-out of the Program, and select Basic Service or power supply from any other Competitive Supplier they wish at any time before or following their enrollment in the Town's Program. No eligible consumer is required to receive service under the Town's contract. [See Section 5.1.6 for detailed information on the opt-out process.]

### **2.1 ORGANIZATIONAL STRUCTURE**

The Town's government is led by a three person Select Board. Daily operations are overseen by a Town Manager. Town elections are held the first Monday in May.

The Select Board is composed of three members elected for three year terms. They meet every first and third Tuesday evening at 7:00 P.M. at Town Hall. They may also hold other meetings from time to time. The Select Board acts as the Town's Chief Executive Body responsible for the general welfare of the community. Specific powers and responsibilities of the Select Board are set forth in the Town Charter. The operational role of the Town and its Consultant in relation to consumers is outlined and described in the following pages.

### **2.2 OPERATIONAL LEVELS**

There are five operational levels to the Town's Program as follows:

#### **2.2.1 Level One: Consumers**

Consumers hold the ultimate authority over the Program and its functions. They can elect candidates for the Select Board who may take positions regarding the Program. They can participate in local and regional meetings and hearings regarding issues related to restructuring in

general and the Town's Program in particular. And they can attend meetings to express their views.

Every eligible consumer in the Town may participate in the Town's Program. All eligible consumers will also have the ability to decline service through the Competitive Supplier and choose any other power supply option they wish or remain with the Local Distributor, National Grid (NGRID). Eligible consumers who are dissatisfied with services provided under the contract negotiated by the Town may also communicate directly with the Competitive Supplier or the Consultant retained by the Town to assist with the implementation of the Plan via e-mail or toll-free telephone number in an effort to alter or otherwise improve service. Eligible consumers may also opt-out at any time by contacting the Competitive Supplier. Eligible consumers may also bring issues before the Select Board.

### **2.2.2 Level Two: Select Board**

Based upon its existing authority or authority provided by voters at Town elections, the Select Board may act on program and policy issues and contract recommendations. In addition, it may provide instructions to the Town's Consultant regarding specific policy or program decisions to be made under the Program. It may also raise issues directed to it by consumers for the Town to address.

### **2.2.3 Level Three: Town Manager**

The Town Manager carries out the collective decisions and instructions of the Select Board and participating consumers.

### **2.2.4 Level Four: Consultant**

As the Town's agent, the Consultant shall provide the day-to-day management and supervision of the business affairs of the Program under a contract agreement. The Consultant shall serve as the Town's procurement agent, utilizing its existing staff to solicit services as requested by the Town. In addition, the Consultant provides office space and administrative support to coordinate the Program's operations.

This administrative support includes:

- communications;
- program development;
- recordkeeping; and
- program oversight and maintenance.

### **2.2.5 Level Five: Competitive Suppliers**

Competitive Suppliers contract with the Town through the Town Manager. The contract is negotiated, recommended, and monitored for compliance by the Consultant. No contract is binding until it is approved by the Town Manager. The complete set of Competitive Supplier responsibilities is found in the Electric Service Agreement (ESA) between the Town and the Competitive Supplier.

## **2.3 OPERATIONS**

The Program's operations are guided by the provisions and goals contained in this Plan and the instructions and decisions of the Town Manager, the Consultant, and participating consumers.

The goals of this Plan are as follows:

- provide the basis for aggregation of eligible consumers on a non-discriminatory basis;
- acquire a market rate for power supply and transparent pricing;
- allow those eligible consumers who choose not to participate to opt-out; and
- provide full public accountability to participating consumers.

## **2.4 STAFFING AND MANPOWER**

The operations necessary to plan, deliver, and manage the Town's Program include:

- technical analysis;
- competitive procurement of services;
- regulatory approvals;
- accounting and fiscal management;
- contract maintenance;
- communications;
- program coordination; and
- administrative support.

The Town intends to utilize the Consultant as the professional, technical, and legal consultant to operate the Program. The Consultant is a licensed broker of electricity in Massachusetts (EB-107). The Consultant has experience designing, implementing and administering opt-out municipal aggregation programs.

The Consultant will be responsible for monitoring all aspects of the Program and any resulting contractual agreements, including but not limited to: monitoring and reporting on compliance

with all contract terms and conditions, resolution of contract issues, implementation of the opt-out process for consumers, participation in negotiations with NGRID, preparation of reports, as directed, and routine updates and attendance at meetings with the Town Manager and Select Board.

The Program has been developed on behalf of the Town by the Consultant with the support of technical consultants and legal counsel. Once a contract has been secured, the Consultant will administer the Program.

The Consultant will undertake negotiations with Competitive Suppliers and provide representation at the state level, as needed, at the direction of the Town Manager and Select Board. The terms and conditions of any contract may be subject to review by the Town Counsel, as well as by any outside legal counsel which may be selected by the Town, and may be further subject to the Town Counsel's approval as to legal form.

### **3 PRODUCT OFFERINGS**

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The Program's objectives for competitive pricing, price stability, offering product choices, and prudent program management collectively form the foundation for the Town deciding what products the Program will offer over its time of operation. Given that market prices for power supply and Renewable Energy Certificates (RECs) are always changing and can be extremely volatile, such prices present at the time of any competitive bid process are expected to have the greatest influence on the Town deciding how much, if any, additional renewable content greater than state minimum requirements to include in each product selected in each round. The nature and percentage of additional RECs to be reflected in the [x%] renewable product or [y%] renewable product shall be based upon the Town's evaluation of competitive bids received considering cost, nature and location of underlying renewable generation, environmental impacts or benefits of such generation resources, and the requirements of the Massachusetts Renewable Portfolio Standard (RPS). The percentage of RECs for the Town's products will likely change from time to time to reflect the results of the competitive bid process. The type and percentage of RECs determined in the future shall be reflected in the Program's opt-out notice and in the manner described in Section 7.1.

The Town Manager will make final decisions on product offerings based upon market prices for power supply and RECs at the time of any competitive bid process and after considering input from stakeholders in the Town and the Town's Consultant. The Town expects to offer three products:

- (1) **Standard Product** – The Program's goal is to provide a standard product that includes no additional renewable energy content above state minimum requirements. All eligible consumers will be enrolled in the Town's standard product unless they affirmatively

opt-out of the Program or select an alternative optional product. The objective for the standard product is to be less expensive than the Town's optional products.

- (2) **[x%] Renewable Product** – The Program's goal is to offer an optional product that provides an attractive price while incorporating RECs beyond the minimum RPS obligation. The inclusion of RECs above state minimum requirements could range between 5% and 50%. Additional RECs may be Class I RECs, or other types of RECs, or a combination thereof.
- (3) **[y%] Renewable Product** – The Program's goal is to offer an optional product that provides greater renewable energy content that is attractive to participating consumers who personally place a high priority a product's renewable energy content. Such a product would include a percentage of additional RECs that is higher than the Town's [x%] renewable product. Additional RECs may be Class I RECs, or other types of RECs, or a combination thereof.

## **4 FUNDING**

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Initial funding for the Town's Program comes from private capital supplied by CPG. The ESA with a Competitive Supplier will include a \$0.001 per kWh fee that will be paid by the Competitive Supplier to the Consultant ("Consultant Fee"). The Consultant Fee will fund the on-going costs of the Program. The start-up costs, to be borne by the Consultant, include costs for legal representation, public education, and communications. Mailing costs will be borne by the Competitive Supplier.

## **5 ACTIVATION AND TERMINATION**

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### **5.1 ACTIVATION**

Following the process of municipal aggregation and competitive procurement of a proposed contract by the Town, activation of the Program requires the following steps:

- a) Approval of Plan by Department
- b) Acceptance of ESAs by Town Manager
- c) Signing of ESA by Town Manager
- d) Notification of Enrollment for Eligible Consumers
- e) Notification of NGRID
- f) Beginning of Opt-Out Period
- g) Transfer of Participating Consumers to Competitive Supplier



Each of these steps is described as follows:

### **5.1.1 Approval of Plan by Department**

The Town, through its Consultant, shall file this Plan with the Department. The Department is required to hold a public hearing on the Plan.

### **5.1.2 Acceptance of ESAs by Town Manager**

All contracts negotiated by the Town shall be expressly conditioned upon the acceptance of the contract by the Town Manager. Competitive Suppliers and contracts must comply with all applicable laws and rules and regulations promulgated by the Department concerning Competitive Suppliers.

The Town shall not enter into a contract with a Competitive Supplier unless it is fully consistent with its Department-approved Plan and any requirements established by law or the Department for municipal aggregations, and a failure in this regard will result in termination of the Program.

### **5.1.3 Signing of ESA by Town Manager**

With the signing of the contract by the Town Manager, the terms and conditions in the contract will be utilized for service for eligible consumers within the municipal boundaries of the Town, except for those eligible consumers who affirmatively opt-out of the Program.

### **5.1.4 Consumer Education and Notification of Enrollment for Eligible Consumers**

The Town has developed an Education and Outreach Plan (“Education Plan”) describing the outreach strategies and efforts it will undertake to inform eligible consumers about the Program and their right to opt-out. The Town’s Education Plan is available on the Program website (<https://colonialpowergroup.com/upton/>).

Following approval of the contract by the Town, the Competitive Supplier shall undertake notification of all eligible consumers on Basic Service to be enrolled. NGRID will provide the Competitive Supplier and the Consultant with a list of eligible consumers. NGRID will electronically transmit the name, address and account of eligible consumers and run this data just prior to the meter read at which the change to the Competitive Supplier is set to occur to ensure that only eligible consumers are enrolled. Only current eligible consumers will be sent opt-out notices. The Town may also generally notify all consumers receiving competitive service of their eligibility to receive power from the Town’s Competitive Supplier. In doing so, the Town will clearly disclose in any notifications that such consumers may be subject to penalties or early termination fees if they switch from competitive service to the Town’s Program during a

competitive supply contract term. No later than ten days prior to the date of issuance, the Town shall provide the Department with a copy of any notice it proposes to send to competitive supply consumers for the purpose of notifying such consumers of their eligibility to receive power from the Town's Program. Once the appropriate notification has been provided to the eligible consumer and applicable opt-out requirements met, the Competitive Supplier will electronically enroll the eligible consumer by submitting an "enroll customer" transaction to NGRID in accordance with the rules and procedures set forth in the EBT Working Group Report, which is applicable to all Competitive Suppliers and distribution companies in Massachusetts.

The process of notification shall be multi-layered and will include:

- mailings by the Town;
- newspaper notices;
- public service announcements (PSAs); and
- notices posted in Town Hall and on Town's website.

Prior to enrollment, this notification shall:

- inform eligible consumers they have the right to opt-out of the aggregated entity without penalty and choose Basic Service at any time before or after their first day of service;
- prominently state all charges to be made and a comparison of the price and primary terms of the Town's contract compared to the price and terms of NGRID's Basic Service;
- explain the opt-out process;
- provide written notification that no charges associated with the opt-out will be made by the Competitive Supplier; and
- inform eligible consumers that savings cannot be guaranteed.

When a new eligible consumer first moves to the Town, the eligible consumer will not be assigned to the Town's Competitive Supplier until the Competitive Supplier submits an "enroll customer" transaction. Prior to such "enroll customer" transaction, the eligible consumer shall receive Basic Service. The Competitive Supplier is responsible for including new eligible consumers, with the exception of new large industrial consumers, in the Program as they move into the Town by the requesting electronic transmittals on a quarterly basis from NGRID, notifying and enrolling per the procedures followed for the initial enrollment.

The approximate timing of the major procedural steps related to the notification of consumers is as follows:

Day 1	Supply contract executed between Town and Competitive Supplier
Day 2	Competitive Supplier notifies NGRID to prepare Town eligible consumer data
Day 3	Competitive Supplier begins EDI testing with NGRID
Day 14	Competitive Supplier receives eligible consumer data from NGRID
Day 18	Consultant and/or Competitive Supplier mails opt-out notice to all eligible consumers
Day 21	Eligible consumers receive opt-out notice; opt-out period begins
Day 21-51	Eligible consumers wishing to opt-out return reply card in pre-paid envelope to Competitive Supplier
Day 33	Competitive Supplier completes EDI testing with NGRID
Day 51	Deadline for eligible consumers to postmark opt-out reply card to avoid automatic enrollment
Day 55	Competitive Supplier removes opt-outs from eligible list
Day 55	Earliest date Competitive Supplier can send EDI enrollments for participating consumers

The timing of enrollments will ensure that eligible consumers have a full 30 days to opt-out, plus an additional six days to account for mailing (i.e. three days for the opt-out notice to be delivered to the eligible consumer and three days for the opt-out reply card to be delivered to the Competitive Supplier through the mail). Accordingly, the opt-out period ends 36 days after mailing the opt-out notice. Participating consumers are enrolled with the Competitive Supplier on the next meter read, provided that the enrollment transaction is submitted no fewer than 37 days after mailing the opt-out notice and two full business days before the meter read. An eligible consumer will not be automatically enrolled when an opt-out notice is returned as undeliverable.

Our Consultant's experience with previous aggregation programs suggests that the Town, Competitive Supplier and NGRID need about two months to complete the consumer notification and enrollment process.

The procedures described above may also be found in NGRID's Terms and Conditions for Municipal Aggregators, M.D.P.U. No. 1421, as amended or superseded from time to time. These procedures were discussed in numerous meetings between CPG and NGRID.

The methods by which eligible consumers will be enrolled in the Program are consistent with NGRID's Terms and Conditions for Competitive Suppliers, M.D.P.U. No. 1420, as amended or superseded from time to time.

### **5.1.5 Notification of NGRID**

Along with notification of eligible consumers, the Town shall notify the selected Competitive Supplier and NGRID to begin preparation of the administrative process to transfer eligible consumers coincident with each eligible consumer's billing cycle. Alternatively, or in combination with the Town notification, the selected Competitive Supplier may notify NGRID to begin preparation of the administrative process.

### **5.1.6 Beginning of Opt-Out Period**

Eligible consumers may opt-out of service from the Program at no charge either in advance of service start up deadlines or at any time after the first day of service. Participating consumers who seek to return to NGRID's Basic Service should provide notice to the Competitive Supplier and/or NGRID five or more business days before the next scheduled meter read date. Pursuant to NGRID's Terms and Conditions for Municipal Aggregators, M.D.P.U. No. 1421, participating residential consumers will be transferred to NGRID's Basic Service in two business days if they directly notify NGRID of the intent to terminate generation service from the Competitive Supplier. If a commercial or industrial consumer directly notifies NGRID of the choice to terminate generation service from the Competitive Supplier, the generation service shall be terminated on the date of the customer's next scheduled meter read. If a residential, commercial, or industrial customer notifies the Competitive Supplier of the choice to terminate receipt of generation service, the termination shall take place on the date of the customer's next scheduled meter read, so long as the Competitive Supplier has submitted the transaction to NGRID no fewer than two business days prior to the meter read date. There shall be no charge for returning to NGRID's Basic Service in this manner. Further opportunities for eligible consumer opt-out may be negotiated by the Town and the Competitive Supplier and included in the terms of the contract presented to the Select Board, the Town Manager, and made part of the public information offered to each eligible consumer. However, any such opportunities must be approved by the Department (including all public education and outreach information provided to eligible consumers for this purpose). Eligible consumers who opt-out and subsequently wish to re-enroll will be enrolled pursuant to NGRID's Terms and Conditions for Competitive Suppliers, M.D.P.U. No. 1420, as amended or superseded from time to time. [See Section 8 for further information.]

### **5.1.7 Transfer of Participating Consumers to Competitive Supplier**

The process of activation is an administrative function with three parts:

- a) Data Preparation: NGRID will identify all eligible consumers as defined by the Department in Municipal Aggregation Programs, D.P.U. 16-10, at 19 (2017).

- b) Automatic Enrollment: All verified eligible consumers shall be transferred to the Town's Competitive Supplier coincident with NGRID's billing periods, unless they have previously sent in notification of their intent to opt-out according to established deadlines. Eligible consumers will be enrolled with the new Competitive Supplier over the period of one month. Service under the new Competitive Supplier shall begin at the start of the billing period following transfer.
- c) Notification: NGRID shall notify each transferred participating consumer of the change to the Town's Competitive Supplier with its last bill for Basic Service.

## **5.2 TERMINATION**

The Program may be terminated in two ways:

- upon contract termination or expiration without any extension, renewal, or subsequent contract being negotiated; or
- at the decision of the Select Board and Town Manager to dissolve the Program.

Each participating consumer receiving service under the Town's Program will receive notification of termination of the Program 90 days prior to such termination.

In the event of contract termination, participating consumers would return to NGRID's Basic Service or choose a Competitive Supplier. This transfer would occur in coordination with NGRID using established EDI protocols and in accordance with the rules and procedures set forth in the EBT Working Group Report.

## **6 METHODS FOR ENTERING AND TERMINATING AGREEMENTS**

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The Town's process for entering, modifying, enforcing, and terminating all agreements associated with the Program shall comply with the requirements of the Town's charter, and state and federal laws. Where required, the procedures outlined in M.G.L. c. 30B shall be followed. Other agreements shall be entered, modified, or terminated in compliance with the law and according to the express provisions of the relevant agreement.

Prior to the end of the initial ESA, the Consultant will be responsible for conducting a subsequent bidding process for a new ESA. The Town Manager is responsible for executing a new ESA. Customers will be notified through press releases and public notices. New opt-out notices will not be mailed. The Town will not use on-bill messaging or bill inserts. However, NGRID may include on-bill messaging notifying consumers of a supplier switch. The transfer of customers from the existing supplier to the new supplier is conducted by the new supplier in coordination with NGRID using established EDI protocols.

The Town will notify NGRID of the planned termination or extension of the Program. In particular, the Town will provide NGRID notice:

- 90 days prior to a planned termination of the Program;
- 90 days prior to the end of the anticipated term of the Program’s ESA; and
- four business-days after the successful negotiation of a new electricity service agreement.

With respect to a planned termination of the Program, the Town will also notify the Director of the Department’s Consumer Division at the same time it notifies NGRID (i.e., 90 days prior). Such notification to the Department will include copies of all public notices, press releases, Town Hall and website postings and any other communications the Town intends to provide consumers regarding the Program’s termination and return of participating consumers to NGRID’s Basic Service.

## **7 RATE SETTING, COSTS, AND BILLING**

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The Town will offer the Program at rates and terms to be negotiated with Competitive Suppliers. All Competitive Supplier charges to the participating consumer will be fully and prominently disclosed under the notification process.

NGRID shall continue to provide metering, billing, and maintenance of the distribution system as a regulated monopoly function. Charges for metering, billing and other distribution services shall be regulated by the Department, unless otherwise provided for in law, or Department rules and regulations.

### **7.1 RATE SETTING**

Under Department orders, NGRID assigns the customer class and corresponding character of service and associated regulated rates. These rates include a monthly customer charge, a distribution charge, a transmission charge, a transition charge, an energy conservation charge, and a renewable energy charge that currently make up a portion of a ratepayer’s bill. Although the Town, or its Consultant, may participate in regulatory proceedings and represent the interests of ratepayers regarding these regulated rates, it will not assign or alter existing customer classes without the approval of the Department. [See Section 7.3 for an example of a typical residential bill.]

The focus of the Town, as noted above, will be acquisition of competitive prices and terms for power supply, however, savings cannot be guaranteed. This price, or prices, will be set through the competitive bid and negotiation process, and will be noted on the participating consumer’s bill as the “generation charge”.

The competitive bid process will seek prices that will differ among the customer classes established by NGRID's tariffs. The terms and conditions of service may also vary among customer classes.

Any applicable taxes will be billed as part of the Program's power supply charge. Participating consumers are responsible for identifying and requesting an exemption from the collection of taxes by providing appropriate documentation to the Competitive Supplier.

The Town will ensure participating consumers are alerted to any changes in Program price and product offering. This will be accomplished through mail, electronic communications, the media, and public meetings and presentations. Specifically, the Town will notify consumers using the following methods: a direct mail notice to participating consumers (received no later than 30 days prior to the effective date of the price change), the Town's website and the Program website; press releases and local cable television shows; and presentations to the Select Board. In addition, notices will be placed in newspapers, in Town Hall and in public buildings (i.e. library, Senior Center, etc.). All such notifications will describe the Program's details including the price, term, fees, product offering(s)(including renewable energy content), toll-free telephone number, and will contain the then-applicable Basic Service rate and inform participating consumers that they may opt-out of the Program at any time and return to Basic Service at no charge.

At least 30 days prior to the effective date of a new supply contract term, participating consumers will receive a mailed notification informing them of the change. Participating consumers who are (i) enrolled in the Program's standard product or (ii) enrolled in an optional product that will be offered again in the new contract, will be notified that they will be re-enrolled in the same product offering unless they affirmatively opt-out or enroll in an alternative product. Participating consumers enrolled in a Program optional product that (i) will not be offered under the new contract or (ii) no longer conforms to the product offering as originally described, will be invited to select from one of the new product offerings or to opt-out. Any such consumer that does not make a selection or does not opt-out will be returned to Basic Service.

If there is a change in law<sup>2</sup> that results in a direct, material increase in costs or taxes during the term of the ESA (see Article 17 of the ESA), the Town will seek to negotiate a change in the Program price or other terms with the Competitive Supplier. At least 30 days prior to the implementation of any such change, the Town will notify participating consumers of the change in price as described above.

Additionally, the Town will notify the Director of the Department's Consumer Division prior to the implementation of any change in the Program price related to a change in law (e.g.,

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<sup>2</sup> The term "change in law" also defines the term "New Taxes" as used in Article 17 of the ESA.

regulatory event or new taxes). Such notification to the Department will occur no less than ten days prior to the Town notifying participating consumers and will include copies of the mailed notice, all public notices, press releases, Town Hall and website postings and any other communications the Town intends to provide consumers regarding the Program's change in price.

In the event an ESA is terminated as the result of a dispute over a change in law, the Town will follow the procedures for termination of the Program. [See Section 5.2 and Section 6 for detailed information on the termination process.]

## **7.2 COSTS**

The Program funding will be derived from a \$0.001 per kWh Consultant Fee payable by the Competitive Supplier to the Consultant.

In addition, the Town may establish an Energy Manager position (or assign additional municipal staff) to support the operation of its Program by performing tasks or activities that are in addition to or that would otherwise enhance the services provided by the Town's Consultant and the Competitive Supplier. The personnel costs associated with any Energy Manager or that are performed by other municipal staff may be funded through an Operational Adder equivalent of up to \$0.001 per kWh, payable by the Competitive Supplier to the Town.

If established, the Energy Manager (or any additional municipal staff) would perform tasks at the direction of the Town Manager or Select Board. These tasks may include acting as the primary point of contact for ongoing program operations on behalf of the Town Manager, providing enhanced responses to customer inquiries, enhanced public education and consumer outreach activities (particularly to hard-to-reach customers) and product development, including actions to advance the Town's clean energy goals pursuant to the Program. Any activities to be funded by the Operational Adder and performed by the Energy Manager or additional municipal staff shall be directly related to the operations of the Program and not duplicative of services provided to the Program by other parties.

The determination of whether to establish the Energy Manager position and fund such position through an Operational Adder will be made by the Town Manager with guidance from the Select Board. The criteria used to make such a decision will be the incremental value that the Town could create for Program participants through the use of Operational Adder funds. The Town Manager will make this determination in connection with entering the Program's initial ESA and each subsequent ESA.



The Town Manager may from time to time designate one or more employees as its Energy Manager (or assign additional municipal staff to serve the Program). The Program-related tasks performed by the Energy Manager or additional staff will be monitored by the Town Manager and the Operational Adder will be set based upon the consideration of: (a) the amount of time that any Energy Manager or additional staff will apply to Program-related tasks; (b) the costs of such services (including salary, benefits and any overheads); and (c) a projection of Program sales. The Town Manager shall review the amounts collected pursuant to the Operational Adder annually and adjust such fee as appropriate. The Town expects that any Operational Adder will be initially set at the rate of \$0.001 per kWh.

If the Town chooses to adopt and maintain an Operational Adder, the Program website and public notices that reference Program prices (including any opt-out or price change notices) shall prominently describe the existence of and the amount of the Operational Adder included in Program prices.

### 7.3 BILLING

Participating consumer billing under the Town’s Program will be made by the Competitive Supplier under contract and shall be incorporated into the standard monthly utility billing. Participating consumers will receive a “complete bill” from NGRID that incorporates the power supply charge and NGRID’s delivery charges. The bill shall include a clear delineation of all regulated and non-regulated charges.

The typical residential “complete bill” for use of 600 kWh shows the following charges for NGRID’s Basic Service in November 2022:

For Customer With Monthly Usage of 600 kWh		
	Rate (\$/kWh)	Charge
<b>Delivery Services Detail (Rate: R1 Residential)</b>		
Customer Charge		\$ 7.00
Distribution Charge	\$0.07861	\$ 47.17
Transition Charge	(\$0.00067)	(\$ 0.40)
Transmission Charge	\$0.04050	\$ 24.30
Energy Efficiency Charge	\$0.02645	\$ 15.87
Renewable Energy Charge	\$0.00050	\$ 0.30
Distribution Solar Charge	\$0.00420	\$ 2.52
Electric Vehicle Charge	\$0.00064	\$ 0.38

Total Delivery Services		\$ 97.14
<b>Supply Services Detail (Rate: Basic Service)</b>		
Electric Supply Services	\$0.33891	\$ 203.35
Total Supply Services		\$ 203.35
Average Bill Total		\$ 300.49

Sources:

<https://www.nationalgridus.com/MA-Home/Rates/Service-Rates>

<https://www.nationalgridus.com/media/pdfs/billing-payments/electric-rates/ma/resitable.pdf>

Accessed: November 1, 2022

## 8 UNIVERSAL ACCESS

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“Universal access” is a term derived from the traditional regulated utility environment in which all consumers desiring service receive that service. The DOER’s Guide to Municipal Electric Aggregation in Massachusetts has defined universal access to mean “electric services sufficient for basic needs (an evolving bundle of basic services) available to virtually all members of the population regardless of income.” The Guide also provides that a municipal aggregation plan meets the requirement of universal access “by giving all consumers within its boundaries the opportunity to participate, whether they are currently on Basic Service or the supply service of a Competitive Supplier.” For the purposes of the Town’s Program this will mean that all existing consumers within the borders of the Town and all new consumers in the Town shall be eligible for service from the Competitive Supplier under the terms and conditions of the contract. One of the Town’s goals, as indicated in Section 2.3, is to “Provide the basis for aggregation of eligible consumers on a non-discriminatory basis”.

Service under the Town’s Program shall include customer classes in adherence with universal service principles and requirements, and the traditional non-discriminatory practices of local government. Contracts with all Competitive Suppliers shall contain provisions to maintain these principles and equitable treatment of all customer classes.

Eligible existing consumers in the Town shall be transferred to the Program unless they have affirmatively opted-out of the Program.

Eligible low-income consumers shall remain subject to all existing provisions of state law regarding their rights to return to Basic Service and to participate in the Program as well.

New eligible consumers, with the exception of new large industrial consumers, shall be enrolled in the Program unless they have affirmatively opted-out of the Program. New eligible consumers will retain the right to opt-out any time after the commencement of Program service.

Eligible consumers who have previously opted out of the Program, with the exception of large industrial consumers, may request that they be re-enrolled in the Program. The Town’s Competitive Supplier will re-enroll such eligible consumers at the then-current Program rate.

Consumers being served under competitive service, with the exception of large industrial consumers, may affirmatively opt-in and request that they be enrolled in the Program. The Town’s Competitive Supplier will enroll such consumers at the then-current Program rate.

Large industrial consumers who (i) are new eligible consumers, (ii) have previously opted out of the Program, or (iii) are being served under competitive supply may request to join the Program. Given the high monthly usage of such consumers, enrollment may be at the then-current market price.

The enrollment procedures are summarized as follows:

	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Large Industrial</b>
<b>Initial Eligible Consumers at Program Launch</b>	<ul style="list-style-type: none"> <li>• Will be mailed an opt-out notice with a respond by date</li> <li>• Will be automatically enrolled unless they exercise their right to opt-out</li> <li>• Enrollment will occur no sooner than 37 days after the mailing of the opt-out notice</li> </ul>			
<b>New Eligible Consumers after Program Launch</b>	<ul style="list-style-type: none"> <li>• Will be initially placed on Basic Service</li> <li>• Will be mailed an opt-out notice with a respond by date</li> <li>• Will be automatically enrolled unless they exercise their right to opt-out</li> <li>• Enrollment will occur no sooner than 37 days after the mailing of the opt-out notice</li> <li>• May request enrollment at any time after becoming eligible</li> </ul>			<ul style="list-style-type: none"> <li>• May request enrollment at any time after becoming eligible</li> </ul>
<b>Consumers Who Opt-Out and Subsequently Wish to Re-Enroll</b>	<ul style="list-style-type: none"> <li>• May request re-enrollment at any time</li> </ul>			
<b>Competitive Supply Consumers Who Wish to Enroll after their Contract Ends</b>	<ul style="list-style-type: none"> <li>• May request enrollment at any time</li> </ul>			

The pricing procedures are summarized as follows:

	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Large Industrial</b>
<b>Initial Eligible Consumers at Program Launch</b>	<ul style="list-style-type: none"> <li>• Program rate for standard product</li> </ul>			
<b>New Eligible Consumers after Program Launch</b>	<ul style="list-style-type: none"> <li>• Program rate for standard product</li> </ul>			<ul style="list-style-type: none"> <li>• Then-current market price for product selected</li> </ul>
<b>Consumers Who Opt-Out and Subsequently Wish to Re-Enroll</b>	<ul style="list-style-type: none"> <li>• Program rate for product selected</li> </ul>			<ul style="list-style-type: none"> <li>• Then-current market price for product selected</li> </ul>
<b>Competitive Supply Consumers Who Wish to Enroll after their Contract Ends</b>	<ul style="list-style-type: none"> <li>• Program rate for product selected</li> </ul>			<ul style="list-style-type: none"> <li>• Then-current market price for product selected</li> </ul>

## **9      EQUITABLE TREATMENT OF RATEPAYERS**

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All ratepayers will be treated equitably. They will be guaranteed the right to raise and resolve disputes with the Competitive Supplier, be provided all required notices and information, and always retain the right to opt-out of the Town’s Program as described herein or to switch Competitive Suppliers. The requirement of equitable treatment of all ratepayers does not, however, require that all ratepayers be offered the same pricing or terms and conditions. To impose such an interpretation to the statutory requirements governing municipal aggregation programs would, in effect, result in inequitable treatment, as attempting to apply identical prices, terms, and conditions to ratepayers with widely disparate characteristics would have the inevitable effect of giving some ratepayers more favorable service than others. Rather, customer classes that are similarly situated will be treated equitably. The implementation of the Program will recognize this reality through appropriate distinctions in pricing and, where applicable, terms and conditions among ratepayers.

## **10     RELIABILITY**

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“Reliability” in power supply and in transmission and distribution is essential to consumers. This will be accomplished and reinforced by the Program at several levels through:

- provisions of the contract that will include language on reliability of supply, liability and damages provisions;
- traditional proceedings related to NGRID’s regulated transmission and distribution services; and
- direct discussions with NGRID concerning specific or general problems related to quality and reliability of transmission and distribution service in the Town.

## **11 INFORMATION DISCLOSURE**

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The Town will provide the disclosure information required under M.G.L. c. 164, § 1F(6) and 220 C.M.R. 11.06. Like other Massachusetts aggregations, the Town has requested a waiver from the requirement that its Competitive Supplier mail an information disclosure label directly to participating consumers on a quarterly basis and instead seeks permission to provide the information regarding fuel sources, emissions and labor characteristics by the alternative means described below. Based upon information available to it, the Town and CPG believe that other means are as likely, if not more likely, to effectively deliver the information required by the statute and regulations. As the Department has granted for other municipal aggregation programs, this alternate information disclosure strategy will allow its Competitive Supplier to provide the required information to participating consumers as effectively as the quarterly mailings required under 220 CMR 11.06(4)(c).

The Town will publicize the information disclosure label on a quarterly basis upon receipt of each updated label from its Competitive Supplier. This is expected to occur each year in April, July, October and January.

The Town will publicize and post each updated label using vehicles deemed most effective by the Town. The Town will refine its manner of communication as the relative effectiveness of different vehicles changes over time (including new vehicles not yet contemplated).

The Town will post the most current information disclosure label in the “Resources” section on the Program website. In addition, at the launch of the Program, the Town intends to post the most current label:

- on bulletin boards located at Town Hall, the Senior Center and the library;
- as a news item on the home page of the Town’s website; and
- on the Town’s official social media pages for Facebook and Twitter.

## **12 RIGHTS AND RESPONSIBILITIES OF PARTICIPANTS**

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### **12.1 RIGHTS**

All participating consumers shall enjoy the protections of law afforded to them as they currently exist or as they may be amended from time to time. These include rights to question billing or service quality or service practices. Under protocols developed by the Department, problems related to billing or service shall be directed to the appropriate parties. All eligible consumers shall also enjoy the individual right to decline participation in the Town's Program.

### **12.2 RESPONSIBILITIES**

All participating consumers shall meet all standards and responsibilities required by the Department, including payment of billings and access to essential metering and other equipment to carry out utility operations.

## **13 BENEFITS OF MUNICIPAL AGGREGATION**

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The Program functions under the restrictions of state law and reflects a range of results and opportunities:

### **13.1 PARTICIPATION IN COMPETITIVE MARKET**

Many consumers lack knowledge and leverage to negotiate terms for power supply. A municipal aggregator provides them with an option for professional representation and the leverage of a large group so that they may participate more effectively in the competitive process and achieve benefits. However, savings cannot be guaranteed.

### **13.2 SELECTION OF ALTERNATE SUPPLIER**

Because the law guarantees the right to opt-out, including the right to choose Basic Service at no charge, all eligible consumers have the right to select a Competitive Supplier other than the one chosen by the Town Manager and Select Board.

### **13.3 INDEMNIFICATION AND RISK ASSOCIATED WITH COMPETITIVE MARKET**

In a competitive market, it is possible that the failure of a Competitive Supplier to provide service may result in the need for participating consumers to acquire alternative power supply, or for participating consumers to receive power at Basic Service prices. The Town will seek to

minimize this risk by contracting with reputable Competitive Suppliers who demonstrate reliable service. The Town also intends to include conditions in its contract with a Competitive Supplier that will indemnify participating consumers against risks or problems with power supply service.

## **14 REQUIREMENTS CONCERNING AGGREGATED SERVICE**

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The Town shall comply with the requirements established by law and the rules set forth by the Department concerning aggregated service.