



COMMONWEALTH OF MASSACHUSETTS

*Deval L. Patrick, Governor
Richard K. Sullivan, Jr., Secretary
Mark Sylvia, Commissioner*

Municipal Aggregation

*Webinar
April 9, 2014*

Thank you for joining us.

The webinar will start in a few minutes...



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**Introduction:
Green Communities Division**

Lisa Capone

Deputy Director

Green Communities Division

Green Communities Division

Serves as the hub for all Massachusetts cities and towns on energy matters



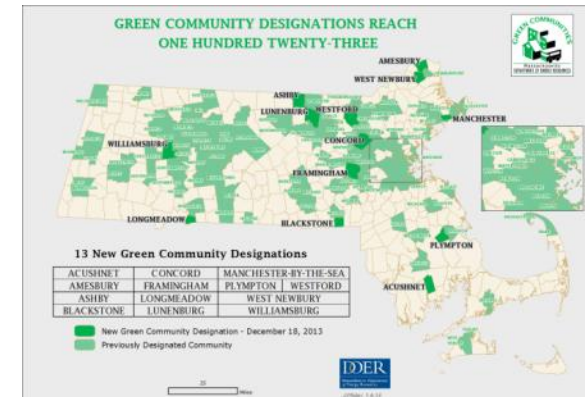
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Green Communities Division

Programs & Resources for Municipalities

- Green Communities Designation and Grant Program
- **MassEnergyInsight** energy tracking tool
● ● ● ● ● POWERING EFFICIENCY
- Municipal Energy Efficiency Program
- Energy Management Services Technical Assistance (EMS)
- Mass Municipal Energy Group (MMEG)
- Website filled with tools & resources - www.mass.gov/doer
- Email updates via listserv – Sign up by sending an email to: join-ene-greencommunities@listserv.state.ma.us



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Outreach - Regional Coordinators

- Regional Coordinators act as direct liaisons with cities and towns on energy efficiency and renewable energy activities
- Located at each of the DEP Regional Offices:



SERO – LAKEVILLE: Seth Pickering
Seth.Pickering@state.ma.us

NERO – WILMINGTON: Joanne Bissetta
Joanne.Bissetta@state.ma.us



CERO – WORCESTER: Kelly Brown
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WERO – SPRINGFIELD: Jim Barry
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Recording & Presentation

- The webinar is being recorded and will be available on our website in approximately 48 hours at:
www.mass.gov/energy/greencommunities
- The slide presentation will also be posted at:
www.mass.gov/energy/greencommunities
- Website and contact information is listed at end of presentation





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Municipal Aggregation

*Meg Lusardi, Director
Green Communities Division*

*Jonathan Goldberg, Hearing Officer
Department of Public Utilities*

Poll Question 1: who in the audience

- Lives in a community that has contracted for competitive supply as part of a Municipal Aggregation?
- Lives in a community that has voted to enter into Municipal Aggregation but has not received approval of its Plan yet?
- Lives in a community that is considering Municipal Aggregation?
- Does not know what Municipal Aggregation is?
- Other?



What is Municipal Aggregation?

- **The process by which a municipality purchases electricity in bulk from competitive electricity suppliers instead of an investor-owned utility on behalf of the residences and small businesses within the community.**
 - Transmission and distribution still provided by investor-owned utilities
 - Can include energy efficiency and renewable energy programs
 - All participation by customers is voluntary; participation is a choice
- **Process for Municipal Aggregation laid out in M.G.L. Chapter 164, Section 134**

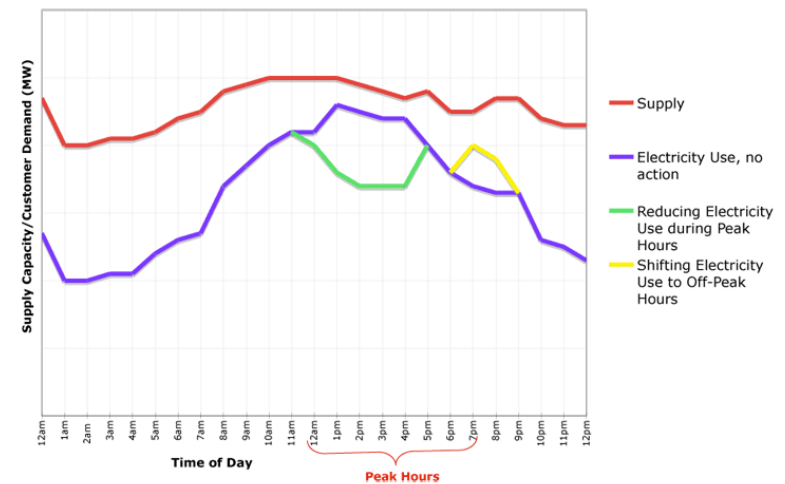


Why do Municipal Aggregation?

- Save money?
- Pricing stability
- Provide broader choice for “green products”



- Other



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What is the process for Municipal Aggregation?

1. Initiate via Vote of Municipality

- Full Education and Understanding of Why, pros and cons.
 - Town – town meeting or town council
 - City – majority vote of City Council with approval of Mayor or in a Plan D or E City with approval of the City Manager
- If lag time between vote and petition to DPU, keep awareness current

2. Prepare plan in consultation with DOER

3. Allow for citizen review of Plan

4. Submit to DPU for review and approval



Preparing a Plan

- Look at existing approved plans
 - Cape Light Compact DTE 00-47, DTE 04-32;
 - Marlborough DTE 06-102
 - Lanesborough DPU 11-27
 - Ashland DPU 11-28
 - Lunenburg DPU 11-32
 - Lancaster DPU 12-39
 - Lowell DPU 12-124



Preparing a Plan (cont'd)

- Talk to your Regional Coordinator
- Talk to your utility
- Know your load by customer class; who is already on competitive supply?
- Talk to potential competitive suppliers
- Prepare a Draft Plan and ESA for review and submit to DOER
- Consultation Meeting – make sure you know your Plan!



What are the elements of an Aggregation Plan?

- **Organizational Structure – roles and responsibilities**
 - Board of Selectmen/City Council
 - Town Administrator/Mayor
 - Broker/Consultant
 - Competitive Supplier
- **Operations**
 - Education, Outreach, and “Opt Out” processes must be comprehensive and clearly defined with samples
- **Program Funding**
 - Who is responsible for expenses: attorney fees, filing fees, public education, mailings, etc.
 - What are the fees being collected? What are they used for? What is the impact of the fees?
- **Activation and Termination of the Plan**



DPU 00-47 Order in Cape Light Compact

DPU 12-124 Order in the City of Lowell

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What are the elements of an Aggregation Plan?

- **Methods for Entering and Terminating Agreements with Other Entities**
 - Describe process for entering, modifying, enforcing and terminating all agreements associated with the Plan (i.e., electricity contracts and broker/consultant contracts).
 - Must comply with the Town's charter, federal and state law and regulations.
- **Rate Setting and Other Costs to Participants**
 - Competitive electricity supply rates provided per the rate classes set by the local distribution company
 - Program affects only the customer's electricity supply charges
- **Rights and Responsibilities of Power Supply Program Participants**
 - Customer right to opt out
 - Consumer protection provisions
 - Customer responsible to pay bills and provide access to meters



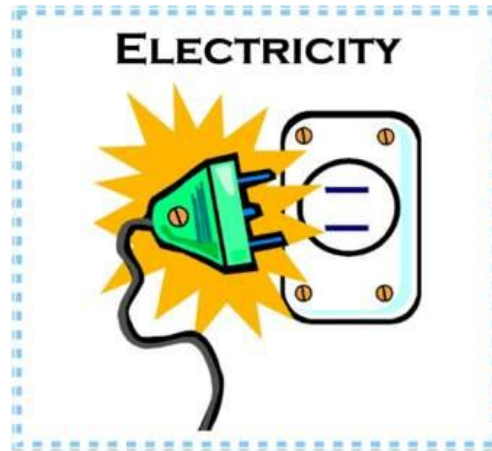
What are the elements of an Aggregation Plan? (cont'd)

- **Meet Any Requirements Established by Law or the Department**
 - Annual Reporting
 - a list of and term of each power supply contract
 - monthly enrollment statistics by customer class
 - Number of participants by customer class.
 - Number of customers opting out by customer class.
 - Load served - kWh per customer class
 - Contractor Costs – fees paid for managing the aggregation.
 - Savings (Basic Service v. Municipal Rate, by customer class).
 - Description of Green Power products offered, pricing, and number of customers by customer class selecting each product
 - Discussion and documentation regarding the implementation of the alternative information disclosure strategy



What are the elements of an Aggregation Plan? (cont'd)

- **The Plan must ensure**
 - Universal Access by all customers
 - Equitable Treatment of All Classes of Customers
 - Reliability



What are the roles of DOER and DPU?

- **DOER**

- Ensure that all of the statutory elements are fully addressed
- Ensure transparency in all elements
- Anticipate potential questions asked by DPU; prepare for the DPU process
- Does not “approve” or “support” the Plan; issues letter stating that consultation occurred

- **DPU**

- Conducts a Public Hearing
- Reviews and approves the Plan
 - Ensures Plan meets all requirements of G.L. c. 164, § 134
 - Reviews all procedural requirements
 - Approves opt-out notices
 - Ensures the program is consistent with DPU regulations
 - May grant a waiver of information disclosure requirements in 220 C.M.R. 11.00



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Other Items

- **For Any Potential Green Products**
 - Full disclosure of properties of Renewable Energy Certificates (RECs) - technology, vintage, and location
 - Third-party certification of RECs
 - typical example for third-party certification is Green-E
 - For projects within New England, encourage including only RECs that are registered with the NEPOOL GIS.
- **Recommend a Website of rate comparisons**
 - The Aggregation's current rate(s) for each rate class;
 - The Aggregation's current rate(s) for each rate product, including any Green Products;
 - The current basic service rate in municipality's service area; and
 - The current rate for the local distribution company's Green/Renewable product.



Other Items – Energy Plan

- Approved municipal aggregations may file energy efficiency and renewable energy plans with DPU (after DOER consultation) for certification.
- Certification allows the municipality access to certain state funds and charge a customer fee to support programs.
- Energy efficiency plans must conform to statewide energy efficiency goals



Avoid these Potential Issues

- Make sure Plan describes what your municipality plans to do
- Follow the process (Initiate, Develop, Consult, Review, then File with DPU)
- Understand the Plan
- Ensure filing includes all relevant documents (e.g., Plan, minutes of municipal votes, DOER consultation letter, sample ESA, sample opt-out notice, education plan, comments from citizens)
- Consider the time it will take to receive approval
- Plan should conform with Investor-Owned Utility Tariffs for Competitive Supply



Poll Question 2: If you are considering Municipal Aggregation, why?

- To save money
- To provide consumer choice
- To provide price stability
- To offer Green Products
- To potentially offer Renewable Energy or Energy Efficiency programs
- Not considering



QUESTIONS??



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Resources

<http://www.mass.gov/eea/docs/doer/electric-deregulation/agg-guid.pdf>

<http://www.mass.gov/eea/energy-utilities-clean-tech/electric-power/electric-market-info/municipal-aggregation.html>

http://www.env.state.ma.us/DPU_FileRoom/frmDocketListSP.aspx

http://www.env.state.ma.us/DPU_FileRoom/frmElectricSuppliersSP.aspx



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