



**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



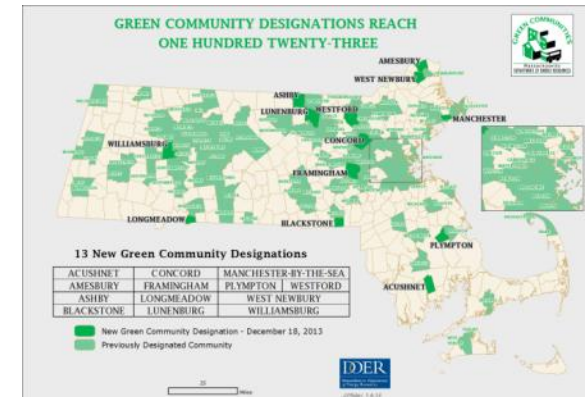
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# Green Communities Division

## 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](http://www.mass.gov/doer)
- Email updates via listserv – Sign up by sending an email to: [join-ene-greencommunities@listserv.state.ma.us](mailto: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](mailto:Seth.Pickering@state.ma.us)

NERO – WILMINGTON: Joanne Bissetta  
[Joanne.Bissetta@state.ma.us](mailto:Joanne.Bissetta@state.ma.us)

CERO – WORCESTER: Kelly Brown  
[Kelly.Brown@state.ma.us](mailto:Kelly.Brown@state.ma.us)

WERO – SPRINGFIELD: Jim Barry  
[Jim.Barry@state.ma.us](mailto:Jim.Barry@state.ma.us)



# Recording & Presentation

- The webinar is being recorded and will be available on our website in approximately 48 hours at:  
[www.mass.gov/energy/greencommunities](http://www.mass.gov/energy/greencommunities)
- The slide presentation will also be posted at:  
[www.mass.gov/energy/greencommunities](http://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**

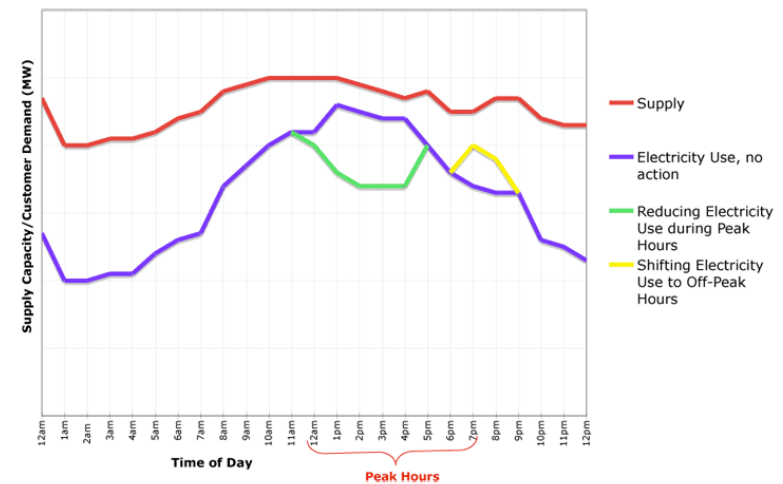


# Why do Municipal Aggregation?

- 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)

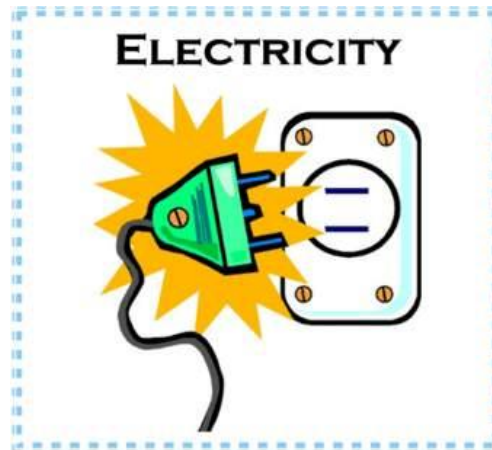
- **Meet Any Requirements Established by Law or the Department**
  - Annual Reporting
    - a list of and term of each power supply contract
    - monthly enrollment statistics by customer class
      - Number of participants by customer class.
      - Number of customers opting out by customer class.
    - 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/frmDocketListSP.aspx)

[http://www.env.state.ma.us/DPU\\_FileRoom/frmElectricSuppliersSP.aspx](http://www.env.state.ma.us/DPU_FileRoom/frmElectricSuppliersSP.aspx)



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# Contact Information

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