



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
- Municipal Energy Efficiency Program
- Energy Management Services Technical Assistance (EMS)
- Mass Municipal Energy Group (MMEG)
- Website filled with tools & resources - www.mass.gov/der
- 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
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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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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?



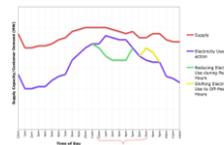
What is Municipal Aggregation?

- 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



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!



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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



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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



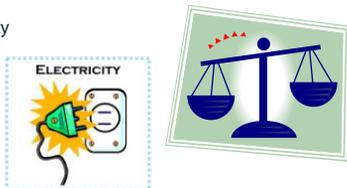
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What are the elements of an Aggregation Plan? (cont'd)

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



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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.



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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



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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



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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



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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/fmDocketListSP.aspx

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



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