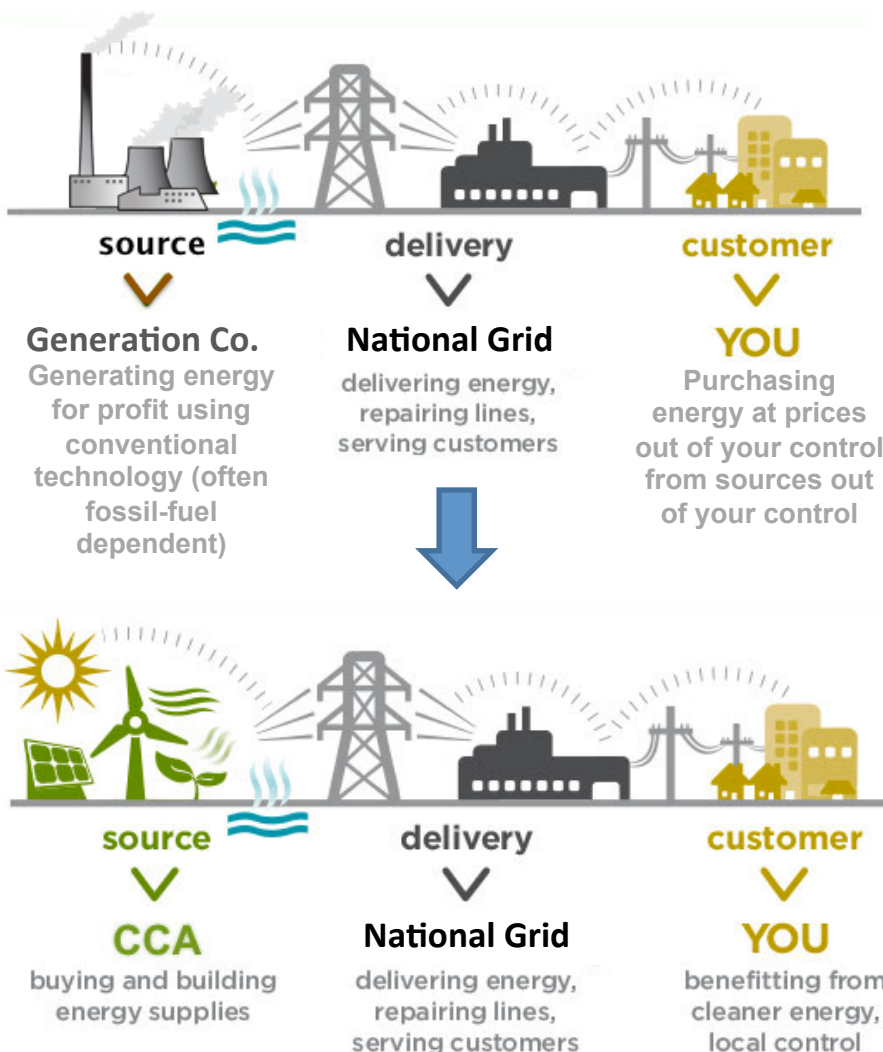


What is “Community Choice Aggregation”

aka “Electric Aggregation”

Community Choice Aggregation (CCA) is a process adopted into law in Massachusetts and other states (*NY, OH, CA, NJ, RI, IL*) enabling communities to combine the buying power of electricity customers in order to secure better options for energy supply contracts. These options typically include better prices and cleaner energy than the utility provides. Customers are not required to participate and may elect to opt out and stick with the utility supply. Also known as municipal aggregation, or electricity aggregation, CCAs now serve well over 20% of Massachusetts municipalities and over 30% have engaged the CCA process.

CCA represents a way for electricity consumers in a municipality to choose their preferred electric supply arrangements through a democratic process, and use their collective purchasing power to negotiate with competitive suppliers according to these choices. CCA contracts replace the traditional utility business model based on closed supply arrangements.



Traditional Model:

Utility contracts for energy under business/profit and regulatory requirements which are not generally accessible or open to public input.

Utility delivers the electricity and charges customers according to rates they justify to DPU using their business case conditions.

CCA Model:

Municipality contracts for energy according to requirements from public input process, utilizing experienced brokers who help develop contract arrangements.

Utility delivers the electricity and charges customers according to the negotiated supply contract.

Customers may opt out and be charged as they were before.

Frequently Asked Questions:

1. Are there towns similar or near to Harvard that have done this?

The towns of Lancaster, Lunenburg, Chelmsford, Marlborough, Westborough, Westford have CCA programs, amongst a total of over 80 Massachusetts municipalities.

2. What is a “broker” and how do we choose one?

Brokers are licensed professionals who understand the electricity supply market and the details of pricing and other contract arrangements. There are many to choose from, including our current broker who has negotiated our municipal supply contracts.

3. What will our electricity supply choices be?

We expect to negotiate for plan options reflecting the priorities of our residents and businesses, including a low-price option and an option for those wishing to utilize more renewable energy.

4. Will my rates be lower?

We expect a low-price option that will almost certainly be lower than the current National Grid Basic Service rate. Supply contracts negotiated by other CCA programs contain renewable energy components that are also competitive with our current rate.

5. When would this take effect?

The timeline for a CCA process can vary and ours has suffered delays in securing a broker, but we hope to have our new energy supply contract in place and switch over by spring of 2019. (see pg 3 of the document under the “Read More” link at <http://www.mapc.org/clean-energy-toolkit-topic/start-community-choice-aggregation-program>).

6. How/when can we opt out?

Once a supply contract has been negotiated and approved, all electricity customers will be notified via U.S. mail (as well as other forms of communication, announcements, etc.). Once this occurs, you may opt-out by contacting the supplier or go through a town web site set up for CCA services. You should be able to opt out any time after that as well (this is subject to contract negotiations but is an important requirement).

7. What is the “public input process”?

HEAC has sponsored and will continue to hold public forums and communicate through articles and public postings to educate residents. Comments and questions are welcome. HEAC will work with the Board of Selectmen to formally seek public input in order to obtain the best information possible about Harvard’s priorities during plan formulation and negotiations. Before a plan can be approved by state agencies, at least one public meeting must take place, during which residents and businesses can affect the plan’s features. The plan should reflect the will of the town’s residents and businesses or it will not be successful.

8. What if I have chosen my own alternative supplier already?

Electricity customers who have chosen alternative suppliers will not be automatically opted in, and will also be notified along with all other customers in Harvard as to their options and timeline for making their choice under the CCA program. They can “opt in” by ending their alternative supply agreement.

9. What if I am a Harvard Solar Garden member?

The same holds true for HSG members as other residents and businesses; if their supplier for electricity (aside from their HSG credits) is National Grid they will be switched to the CCA supplier once this takes effect - and if they have an alternative supplier instead of National Grid, the answer to (8) applies as well.

10. What are the costs to the town or residents/businesses?

There are two minor costs to begin and manage a CCA program:

(a) some time is required to work with a broker and create a plan, issue the RFP for supply contracts, and select a supplier from bids received. Assistance for some of this work may be provided on a volunteer basis by energy advisory committee or other committee members.

(b) a \$0.001 (a thousandth of a dollar) cost per kWh is paid to the broker by the supplier. This may or may not be passed through to customers but if so the effect on any given electricity bill would be negligible.

11. What is the typical term/period for negotiated supply contracts?

This is flexible but can be 1 or 2 or more years; having a longer term provides cost security, whereas shorter contracts can take advantage of lower prices in the supply market.