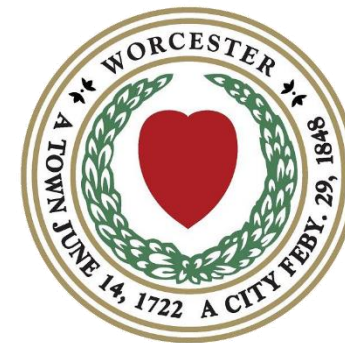




# Worcester Community Choice Electricity Aggregation Program Program Overview

February 20, 2019

Presented at a meeting of the Worcester City Council Standing Committee on Economic Development



The

Worcester Community Choice Electricity Aggregation Program is . . .

a “municipal electricity aggregation”

Or in plain English, it is . . .

a form of **group electricity purchasing**

in which a city or town selects an electricity supplier  
on behalf of its residents and businesses

The

Worcester Community Choice Electricity Aggregation Program is . . .

a City-vetted alternative

to the electricity marketing that consumers receive

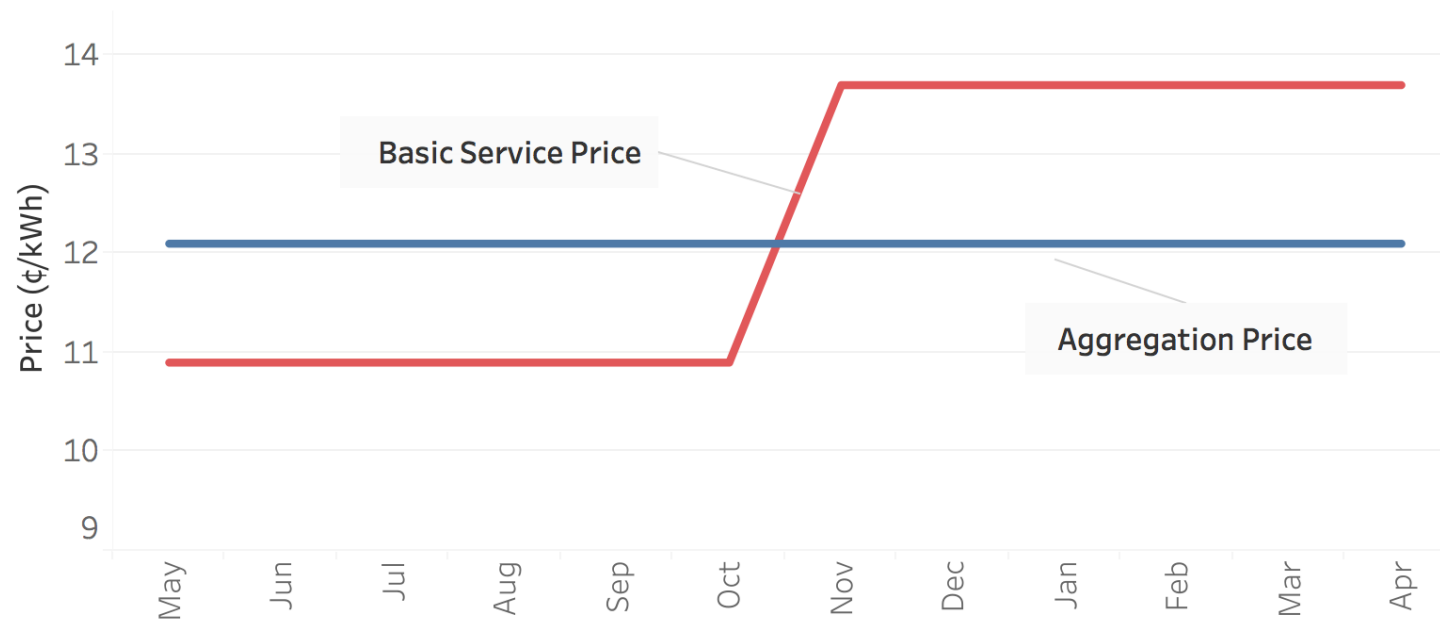
- ▶ in the mail
- ▶ over the phone
- ▶ and sometimes even **at their door**

# Aggregations can offer 3 key benefits:

- ① Price stability
- ② Consumer protection
- ③ Sustainability

# 1 Price stability

By providing a longer-term fixed price, aggregations protect customers from the seasonal swings in utility Basic Service prices.



**NOTE:** Aggregations seek to provide a price that is lower than the average National Grid Basic Service price over the course of the year. However, because future National Grid Basic Service prices are unknown, **savings cannot be guaranteed.**

## 2 Consumer protection

The aggregation provides a **consumer-friendly, city-vetted alternative** to the competitive supply offers that customers receive over the phone and through the mail.

According to the [Massachusetts Attorney General](#), from 2015 to 2017 consumers served by competitive suppliers **lost an average of \$216 per year**.

This alternative is especially valuable for low-income consumers, who make up about 22% of the residential consumers in Worcester.

According to the AG's report, low-income customers:

- ▶ are twice as likely to be served by competitive suppliers as non-low-income customers
- ▶ pay 17% more on average
- ▶ are particularly vulnerable to competitive supply offers

## 3 Sustainability

The City's aggregation plan requests DPU authorization to implement either ...  
*or both* ...of two sustainability strategies:

Energy efficiency

Renewable energy

# Energy efficiency

Energy efficiency efforts reduce the amount of energy we use.

For this reason, energy efficiency is often referred to as the **fifth fuel**, and it is the **lowest-cost energy resource currently available**.

- ▶ By collecting a small amount of money through the program, the City would be able to fund an energy efficiency reimbursement program for Worcester Community Choice participants

**NOTE:** This energy efficiency reimbursement program would supplement, not replace, the existing MassSave program. The program design will be developed after the Aggregation plan has been approved.



# Renewable energy

The City may increase the % of New England renewable energy in the existing power supply.

Example program structure:

## Standard Green

*Default offering*

Includes 5% additional renewable electricity above minimum state requirements (14% in 2019)

## 50% Green

*Option*

50% renewable electricity

## 100% Green

*Option*

100% renewable energy

How the

# Worcester Community Choice Electricity Aggregation will work

The program will impact only the “supplier services” part of the electricity bill

Participants’ primary relationship for electricity will remain with **National Grid**

- ▶ National Grid will continue to deliver electricity, address power outages, and bill you. The program’s charges will be integrated into your National Grid bill.

Enrollment will be automatic (this is state law),  
but consumers may opt out at any time with no fee or penalty

# Frequently asked questions

What if I have ...

An existing electricity supply contract?

- ▶ You will **not** be automatically enrolled. You are always invited and allowed to enroll in the aggregation. However, if you join before your current contract expires, you may be subject to early termination fees from your existing supplier.

Solar panels and receive net metering credits on my electricity bill?

- ▶ **No change.** You will continue to receive those credits.

A low-income discount?

- ▶ **No change.** You will continue to receive that discount.

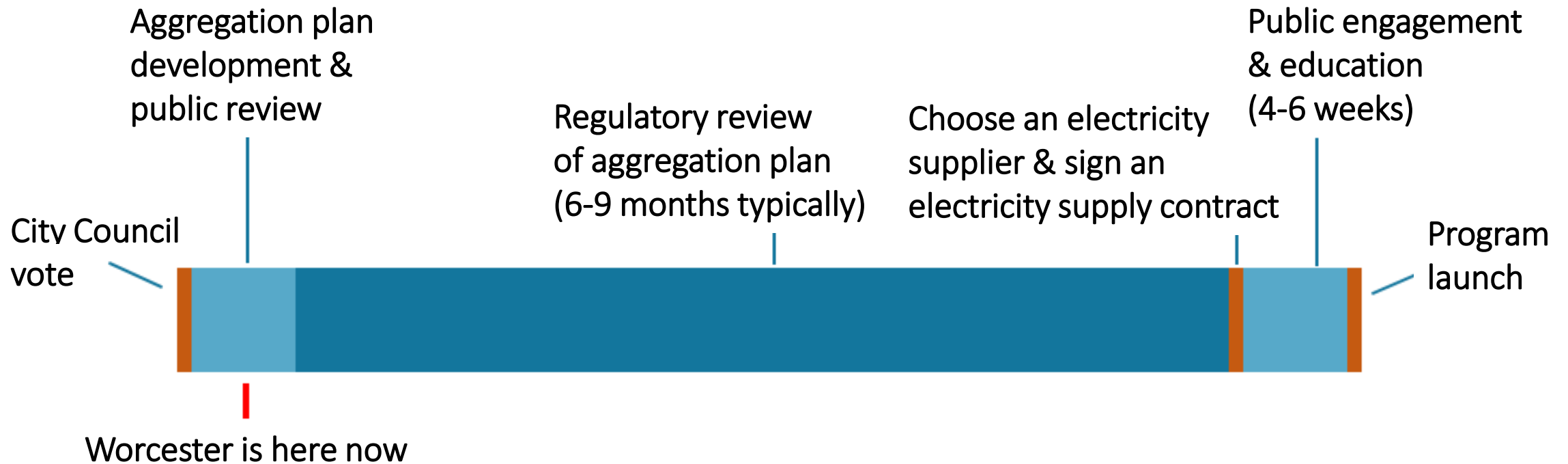
When/how...

## ...will consumers learn the price for Worcester Community Choice?

After Worcester signs an electricity supply contract and approximately one month before program launch, a **community engagement effort** will occur:

- ▶ Informational letters – to every account on National Grid’s Basic Service
- ▶ Detailed information on program website – [WorcesterCommunityChoice.com](http://WorcesterCommunityChoice.com)
- ▶ Public information sessions
- ▶ Customer support by phone and email

# Program timeline



# Public comments now accepted

Get a copy of the plan:

[WorcesterEnergy.com](http://WorcesterEnergy.com)

[WorcesterCommunityChoice.com](http://WorcesterCommunityChoice.com)

Submit comments in writing:

**City Energy and Asset Management Division Office**

Worcester City Hall – Room 108

Worcester, MA 01608

Submit comments or ask questions:

[WorcesterEnergy@worcesterma.gov](mailto:WorcesterEnergy@worcesterma.gov)