

# City of Amesbury

## Municipal Aggregation Program

*Design*

*Implementation*

*Management*



**Amesbury City Council Finance Committee**  
**November 24, 2020**

# Introductions

- Community Paradigm Associates, LLC (CPA)
  - Government and Public Policy Consulting
  - Retained by Municipalities, Non-Profits and Businesses
  - Specializing in Community Engagement, Government Relations, Public Management and Executive Recruitment
- Colonial Power Group, Inc. (CPG)
  - Energy consulting company
  - Retained by municipalities
  - Specializes in Community Choice Aggregation (CCA) Programs
    - Design: all phases of program creation
    - Implementation: get CCA up-and-running
    - Management: day-to-day operations of CCA
      - CPG currently manages CCAs for 80 communities in MA
      - CPG designated in 2015 as MVPC Aggregation Consultant

NOTE: Basic Service rates change twice a year or more, depending on rate class. As a result, the aggregation rate may not always be lower than the Basic Service rate. The goal of the aggregation is to deliver savings over the life of the Program against National Grid Basic Service. However, such savings and future savings cannot be guaranteed.

# What is a Municipal Aggregation?

- A Municipal Aggregation is an optional buying group organized by a municipality or group of municipalities to benefit electric customers.
  - Came out of the Utility Deregulation Act of 1997 to enhance the competitive market
  - A Municipal Aggregation would enter into an electricity supply contract for all customers who remain on default service within a given municipality.
  - Customers can participate in long-term fixed rates and greener power supply options.
  - Customers are automatically enrolled, unless they opt-out.

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# Benefits of Municipal Aggregation

- Choice – No longer “stuck” with utility default rates
- Savings – While not guaranteed, Municipal Aggregation obtained rates can be below average default rates
- Control – Municipality sets its own energy goals, e.g., long-term fixed rates or a higher mix of renewable energy
- Stability – Municipality can seek long-term rates to avoid market volatility
- No Penalties for Consumers – Opt-out **anytime** and go back to default or choose another ESCo

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# Benefits of Municipal Aggregation

- Pro-Consumer – Contract terms and conditions are designed to protect customer rights
- Professional Expertise – Retaining a qualified Consultant ensures smooth roll-out and implementation of the program
- Local Oversight – City officials hold ESCo and Consultant accountable through transparent local management
- Green Power – Municipality can “green-up” entire supply portfolio or offer “opt-in” green products to consumers

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# Benefits of Municipal Aggregation

- Economic Development– Potential savings for homeowners keeps more revenue in the local economy
- Future Opportunities – Municipal Aggregation is still evolving:
  - Funding Energy Management
  - Supporting Additional Renewable Energy generation
  - Energy Conservation

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# Steps in the Process

- ~~Local Acceptance of the Aggregation Statute~~
- ~~Choosing an Aggregation Consultant~~
- City Council Adoption of an Amesbury Aggregation Plan
- State Filings by Aggregation Consultant
  - Consultation with DOER
  - Approval by DPU
- Solicitation of Energy Pricing by Aggregation Consultant
- City Decision to Proceed...and how to Proceed
- Ratepayer Notifications by Aggregation Consultant
- Opt-Out Period managed by Aggregation Consultant
- Energy Flows

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# Education is Critical to Success

- CPG and CPA work collaboratively with community leaders to develop and execute an outreach plan
  - Local Print Media
  - Municipal and Community Websites
  - Local Cable TV
  - Community Meetings
  - City Newsletters

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# Regular Issues of Concern

- No Tax Dollars Used – No adds to staff or burden on local budgets, e.g., program administration outsourced to Consultant
- Opt-Out – As provided by law. Ratepayers can always opt-out and opt-in
- Billing Remains the Same – National Grid still bills for electricity and distribution
- Outage Management and Line Maintenance Remains the Same – National Grid stills delivers the electricity
- Quality of Electricity Remains the Same – It remains power being placed into the electric grid

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# Thank You

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