

# **FREQUENTLY ASKED QUESTIONS**

## **About Community Choice Aggregation**

### **What is Community Choice Electricity Aggregation (CCA)?**

This is a bulk energy purchasing program in Massachusetts that came out of the **Utility Restructuring Act of 1997**. The Act empowers cities and towns to create large buying groups of residential and business electricity accounts in order to seek bids for cheaper supply rates by aggregating a community's residential and business usage and obtaining competitive bids to supply electricity. In addition to lowering rates, a CCA program would be an easy and inexpensive way for residents and businesses to increase the renewable energy content of their electricity. Other advantages are listed [here](#).

### **How do the “Green Up” CCA options work?**

MA law requires that in 2020 electricity supply contain at least 16% renewable energy, with the percentage rising each year as specified by the Global Warming Solutions Act and subsequent legislation. In a green CCA program, electricity customers are offered options to increase the percentage of renewable energy in the electricity they purchase; the CCA power supplier is responsible for procuring the green energy credits necessary to prove that their generation contains the required renewable energy.

### **What are Renewable Energy Certificates, also known as RECs?**

“Renewable Energy Certificates” (RECs) are the accounting mechanism for guaranteeing green generation is purchased by the power supplier and only sold once to an electricity end-user. Because we cannot differentiate electrons or direct electrons from a renewable energy project on one part of the grid to a customer on another part of the delivery system, renewable energy certificates, or RECs, are used to track the generation and sale of renewable energy.

RECs are effectively an accounting system. Each REC represents proof that 1 megawatt-hour of electricity was generated by a renewable energy resource. When you purchase RECs in addition to purchasing your electricity, it allows you to say that a portion, or all, of your electricity comes from a renewable energy project that generated the electricity associated with each REC. The RECs that you purchase are then retired so that the RECs cannot be resold and no one else can claim to use the same renewable energy.

The money used to purchase RECs supports the renewable energy projects that generated them. The Commonwealth requires that at least 16% of electricity generation come from state renewable energy generating facilities (“Class 1 MA RECs”) in 2020. Not all RECs are created equal. For example, the Massachusetts Class 1 RECs are more expensive than generic Texas wind farm RECs.

### **What has the experience been in MA to date with CCA programs?**

At least 136 towns in Massachusetts have approved CCA programs, and they have been overwhelmingly successful, as documented by the [University of New Hampshire](#), [University of Massachusetts](#), the [Metropolitan Area Planning Council](#) and [Mass Climate Action Network](#). Not only have CCA plans saved residents and businesses money, the plans have succeeded in increasing the share of renewable energy in electricity generation. Of the 56 towns which offered residents an option for 100% renewable energy, 80% secured a rate that was below the base utility price!

## What are the disadvantages of CCA?

It is possible after a contract was executed that National Grid’s basic service rate could drop below the CCA rates. If this happened, individual customers could drop out if they wished (as they could anyway, at any time with no penalty), or the program could be suspended. Restarting after a suspension would require that the plan go through the state approval process again. There is some minimal Town staff time required to monitor the program. In addition, some residents and small businesses may be upset that the program is opt-out (as required by state law) rather than opt-in. This is why outreach and education are so important. All residents must be fully informed and given ample opportunity to make their choices.

## What does the “Aggregation of Electricity Service” article do?

The article, passed by Cohasset voters at Annual Town Meeting in 2019, simply authorized the BOS & Town Manager, or their designee, to develop a plan. Implementation of the plan will require further voter approval at the 2020 Annual Town Meeting.

## Will it be difficult to develop a CCA plan?

No. Most of the content of the plan is standard language established by state government and precedent. At least 136 towns in Massachusetts have developed approved plans. Some towns have engaged the services of an energy broker to help (at no expense to their town). MAPC provides ample guidance in the process and the state DOER will review drafts and offer advice. Cohasset already has spoken with the DOER about some of their initial comments. Scituate and Marshfield are on the same path; both have submitted their plans to the Department of Public Utilities (DPU) for approval. Cohasset now has a plan that is subject to public comments, which will be compiled and submitted with the plan to the DPU for approval.

## What are the major steps and status toward implementing a Cohasset CCA program?

Task	Status and Schedule
Pass “Electric Billing Aggregation” warrant article at 2019 Annual Town Meeting (see Article 16 below) <sup>i</sup>	Complete
Hire energy broker (not required)	Complete – Cohasset hired Good Energy
Create aggregation plan (a task for the BOS, Town staff, Alternative Energy Committee, and/or an energy broker)	Completed – Open for public comment period
Obtain DOER review and comments	In Process – DOER has provided initial comments
Schedule public comment period for written comments and hold public hearing for oral and written comments	Scheduled: comment period Dec. 4-18, public hearing Dec. 17
Submit to Mass. Department of Public Utilities for approval	Will submit late Dec. 2019
Approve Aggregation of Electricity Service plan at Town Meeting (an extra step not required by state law)	Scheduled for Spring 2020 Annual Town Meeting
Town Issues RFP for competitive supplier	Anticipated Summer/Fall 2020

<b>Task</b>	<b>Status and Schedule</b>
Town selects competitive supplier	Fall 2020
Notify residents and businesses about contract choices	Fall 2020
Begin enrollment of basic service for customers who have not opted out	Winter 2020

### **What happens if a satisfactory contract cannot be secured?**

If a satisfactory contract cannot be secured, there is no obligation for the Town to proceed.

### **How are energy brokers compensated?**

An energy broker is generally paid a commission on the total electricity purchased in the plan, usually \$0.001 per kWh. This fee is included in the contract price of the power. The Town pays nothing for a broker's service.

### **Will a CCA program place a burden on Town staff?**

This depends partly on the type of aggregation program. The most ambitious variant (called Community Choice Energy Plus, CCE+) provides energy efficiency services and encourages local renewable energy generation – this would probably not be viable for Cohasset unless we joined forces with neighboring Towns. The simplest power purchase aggregation using a broker requires very little time from Town staff to monitor; the broker would prepare an annual report which would be reviewed by the Town Manager and Board of Selectmen. At the beginning of the program, Town staff will need to help develop an RFP and evaluate bids. Also, every few years at the conclusion of the contract period, Town staff would again need to assist in the RFP and bid process.

### **What about newcomers who move into Cohasset after the enrollment period?**

Details like this will be worked out as part of the CCA plan. In a typical plan, when new folks move to town, they will receive a letter that is very similar to the original notification letter, explaining the options and giving them the opportunity to opt out of the program. They will be offered the same prices as everyone else.

### **What other Towns on the South Shore have CCA programs?**

Plymouth and Rockland are among the more than 136 Towns in Massachusetts with CCA programs. The Plymouth Energy Manager, Patrick Farah, and their CCA broker have explained their program to the Alternative Energy Committee; the Plymouth program has been very successful and popular. Scituate and Marshfield also approved a green CCA plan. Cohasset is joining their RFP solicitation process to leverage the bulk purchase they represent. Hingham and Hull are not eligible for a CCA program because they have municipal lighting plants; however, Hingham already has 100% renewable electricity through the purchase of Class 1 Massachusetts Renewable Energy Certificates. Hull, with its two wind turbines, is similarly moving in that direction. Scituate also purchases energy directly from solar energy arrays and wind turbines located on town land.

### **What do I need to do in order to participate?**

If you are currently receiving your electricity supply from National Grid basic service, you do not need to do anything. You will automatically be enrolled in the program unless you choose to opt out. If you are already receiving your electricity supply through a third-party contract, you would not be automatically enrolled; in that case, if you wanted to participate you would need to cancel your current contract (and potentially pay penalties) before you could enroll in the CCA program.

**What is an opt-out notification letter?**

The opt-out notification letter provides details about the Community Choice Electricity Aggregation program. It is normally sent out by the winning supplier for the program, on behalf of the Town. By sending the enclosed opt-out card back to the supplier, you will be indicating that you do not wish to participate in the program. Prior to sending the opt-out notification letter, the Town and the Cohasset Alternative Energy Committee will be working together to education Cohasset residents and businesses about the CCA program so that everyone is well-informed.

**How does community choice electricity aggregation impact my electricity bill?**

Participants will see no change in their utility bill other than a change in price on energy supply. They will continue to receive a single bill, make one payment, and continue to receive the same level of service from National Grid.

**What part of my electricity bill will this program affect?**

Your electricity bill has two cost components – delivery and supply. The aggregation program only changes the supply component of your bill. The delivery portion of your bill will not be affected.

**Will I be charged a higher delivery rate?**

No, you will not be charged a higher delivery rate; delivery rates do not change based on participation in a CCA program. Delivery rates are set by the utility and are regulated by the Massachusetts Department of Public Utilities.

**Will the single bill come from National Grid?**

Yes, your single bill will continue to come from National Grid.

**Do I have to sign a contract?**

No, there is no contract to sign. The program is designed to be as easy as possible for participants. Accounts are automatically enrolled as long as they are currently receiving supply from the utility. In effect, the CCA Plan that is ultimately implemented by the Town and the DPU is the contract under which residents and businesses will receive energy under the program.

**Is there any change to my meter? If so, how/who reads the meter?**

No, there are no changes to your current meter. National Grid continues to read your meter.

**Do I have to participate in the community choice electricity aggregation program if I don't want to?**

No, residents and businesses can opt out

**What if I choose to leave the program early?**

Residents and businesses who are enrolled in the program may terminate their participation at any time without any early termination or exit fees. You may return to the program at any time, but are not guaranteed the original contract rate.

**Under the program, can I continue to participate in National Grid's budget billing/equal payment plan?**

Yes, you can continue to participate in a budget billing/equal payment plan. No action is required to remain in the budget billing/equal payment plan.

**Who do I call if there is an outage or issues with my electricity bill?**

All service and billing questions will continue to be directed to National Grid

**Will the utility take longer to restore my electricity if I am with a third-party supplier?**

No, the delivery of your electricity is always the responsibility of the utility. As a result of energy deregulation in 1997 in Massachusetts, utilities are only able to collect revenue from delivering the power to your meter, not from the actual supply. This is why utilities in Massachusetts are indifferent to the supply portion of the bill. Simply put, your utility does not make any money on the actual electricity they supply to your account(s). They only generate revenue from the delivery of that electricity.

**Can businesses participate in the program?**

Yes, any account currently on basic service that is not enrolled with a third-party supplier is eligible and will be automatically enrolled unless the person responsible for that account chooses to opt out.

**What if I have a photovoltaic or solar panel system?**

Having a solar system which allows you to earn net metering credits does not preclude you from participating in the aggregation program. As long as the account holder is receiving supply from National Grid, they are able to participate in the aggregation program and will continue to receive net metering credits from the utility. Net metering will work in the same way as before you joined the CCA program. Your net metering credits will continue to appear on your National Grid bill and will continue to be calculated based on National Grid’s Basic Service price. In addition, there is no change in SREC eligibility or the ability to sell the SRECs.

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**Town of Cohasset, Annual Town Meeting, April 29, 2019**

**Article 16: - Electric Billing Aggregation**

To see if the Town will vote to authorize the Town Manager and the Board of Selectmen, or their designee, to exercise the authority granted under M.G.L. c. 164, s. 134 “Load Aggregation Programs” to initiate a process for the aggregation of the Town’s total electric power load, municipal and private, commercial and residential, and as a consequence thereof to allow for the entering into a contract or contracts, alone as a Town or in concert with a group of other municipalities, for the aggregated purchase of electric utility service and related services on behalf of the Town and on behalf of all private commercial and residential ratepayers in the Town.

Further, to authorize the Town Manager and the Board of Selectmen, or their designee, upon passage of this Article, to develop the plan described in said c.164, s.134 setting forth “the process and consequences” of aggregation and the implementation of the aggregation program, for further adoption by Town Meeting. Preparation of the plan or plans will be in conjunction with, and the certification of, the state Dept. of Energy Resources as set forth in said c. 164, s. 134, or to take any action related thereto.