

COMMUNITY CHOICE AGGREGATION FOR MARSHFIELD FAQ

Town Meeting April 22- 23, 2019

What is Community Choice Aggregation (CCA)?

Community Choice Aggregation allows a community to easily switch to cleaner sources of electricity for everyone who is on basic service (residents and small businesses) and take positive action on the increasingly important issue of climate change.

This is a process, enabled by a 1997 state law that allows towns and cities to choose electricity that is generated in a way that aligns with their community's values and to have local control over their electricity sources.

How does Community Choice Aggregation work?

Community Choice Aggregation allows any Massachusetts city or town to combine all of its electrical customers into a single bargaining unit, which can then choose to discontinue its default electricity supplier, Eversource, and make its own decision about a different electricity supplier. By aggregating demand, communities gain leverage to negotiate better rates with competitive suppliers and choose greener power sources.

A town meeting warrant article allows the Board of Selectmen to pursue making Marshfield a CCA community.

Why choose CCA?

There are several potential goals for CCA. The Marshfield warrant article urges that the main goal be the lowering of Marshfield's carbon footprint. Electricity generation is a major source of climate change-causing pollution. Through CCA, Marshfield would choose an electrical supplier that would provide a higher percentage of electricity from clean renewable regional sources, or Class 1 energy. Other important benefits include the possibility of slightly lower prices, price stability for the duration of the contract, and local control of our energy sources.

What would change for customers?

All basic service customers would be automatically enrolled in the CCA program. The electrical supplier would change, but distribution (power lines, maintenance, etc.) and billing would still be through Marshfield's current utility, Eversource, so customers do not have to do or sign anything. They just continue to pay their one monthly Eversource bill. Customers not wanting to participate can opt-out at any time with no penalties by returning the opt-out card or calling or emailing the supplier. Any residents already on contracts with other suppliers are bound by those contracts, but can opt into the CCA at a later date.

How would CCA lead to an increase in renewable sources of energy?

Currently Marshfield residents get the state mandated 14% Class 1 clean regional electricity. This could be increased by applying the savings from buying in bulk to the purchase of more green energy. No change in infrastructure is required since electricity will continue to arrive using the

same wires as today. The only change would be that more electricity would come from regional, high quality renewable Class 1 resources such as solar, wind, geothermal, etc. and less from fossil fuel sources.

What does this mean for Marshfield?

Increasing our renewable sources of electricity through the CCA process is the perhaps the single biggest step that Marshfield could take right now to significantly reduce our reliance on fossil fuels and have an impact on climate change.

In addition, the process provides more consumer protection and transparency as the final plan must be reviewed and approved by the Mass. Attorney General's Office and the Mass. Dept. of Public Utilities. Also, our town selectmen, with the help of a green energy broker, not the utility company, will choose our energy suppliers.

How are energy brokers compensated?

The energy broker is 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 the broker's service.

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

CCAs, in a study released by UMass Amherst in Aug. 2018, beat the Eversource utility rate 75% of the time, and of the towns offering residents an option for 50-100% renewable energy approximately half secured a rate that was below the base utility price. At least 136 towns have approved CCA programs with 116 actively in progress. Further information on these programs can be found in studies done by the Univ. of NH 2017, Boston Univ. 2018, UMass Amherst 2018, the Metropolitan Area Planning Council and Mass Climate Action Network.

Basic outline of CCA approval process:

The CCA process is projected to take approximately 18 months from approval to implementation.

- Town meeting approval to pursue CCA
- Issue Request for Proposal (RFP) to hire energy broker
- Public hearings run by broker
- Broker creates aggregation plan at no cost to town
- Board of Selectmen approves aggregation plan
- MA Department of Energy Resources reviews aggregation plan
- MA Department of Public Utilities approves plan
- Broker issues RFP for competitive supplier, based on the plan
- Town selects a competitive supplier
- Broker publicizes CCA to residents and small businesses, and handles all opt-out requests

If no plans or energy prices are deemed acceptable, there is no obligation for the town to proceed.

