



Town of Salem

introduction to

Community Choice Aggregation

April 2024

Community Choice Aggregation



- Energy consulting company headquartered in Marlborough, MA
- Specializing solely in Community Choice Aggregation (CCA) in New England
- Currently manages ~90 CCA Programs in MA, with >500,000 participating consumers
- Provides comprehensive, turnkey service, leading client communities through the entire CCA program process:
 - Design: all phases of Program creation
 - Communications: consumer information and outreach
 - Regulatory: PUC approval and compliance
 - Implementation: get CCA Program up-and-running
 - Management: day-to-day operations of CCA Program

“CPG” and “FEL” are currently working with several NH communities to develop CCA plans including Hampton, Hancock, Greenland, Londonderry, Lincoln, Merrimack, North Hampton, and Ossipee.



- Energy Advisory founded in 2006 with headquarters in Auburn, NH
- Our Mission is to be our clients' respected Energy Advisor providing the most effective energy supply management and renewable solutions in support of their unique business goals and sustainability objectives.
- Specialized Energy & Sustainability Municipal Program Team
- Freedom currently serves >50 municipals throughout New England





What is a Community Choice Aggregation Program?

- A CCA Program is an optional buying group organized by a municipality to benefit electric consumers in the community.
- The Program enters into electricity supply contracts for all “Eligible Consumers”
- Eligible Consumers are residential and business consumers currently receiving default service from their utility (Liberty).
- Eligible Consumers are automatically enrolled, unless they opt-out.
- Consumers currently under contract directly with third-party suppliers will not be enrolled in the program. Option to opt-in later, if they wish.



Benefits of Community Choice Aggregation

- **Choice:**
 - No longer “stuck” with utility default rates
 - Valuable alternative to third-party supply
- **Leverage:** Community buying power; larger buying group attracts robust participation from leading suppliers
- **Price Stability:** Ability to secure long-term rates and avoid market price volatility
- **Optionality:**
 - Opt-out anytime without penalty
 - Opt-in at a later time
- **Public Oversight:** Electricity supplier and consultant accountable to town officials
- **Local Control:** Operate program based on community priorities and preferences
- **Product Options:**
 - Define a standard product
 - Offer one or more other opt-in products, e.g., greater renewable power content
 - Program offerings may change over time as new market opportunities develop
- **Self-funded:**
 - No burden on municipal staff or local budgets
 - No costs imposed on non-participating consumers
 - Program administration outsourced to town consultant



CCA Overcomes Shortcomings of Electric Market Choice

- **Predatory Business Practices:** Specific targeting of vulnerable consumer segments and customer inattention.
- **Predatory Contract Terms:** Beneficial rate at start converts to a much higher 'market-based' rate after initial term expires.
- **Limited Purchasing Power:** Difficult to profitably serve individual residential consumers absent imposing outsized margins.
- **Presents an Additional Market Option:** Program will not interfere with consumers who prefer to shop for themselves.



Important Elements

- **Choice** – Consumers may:
 - opt-out of the Program and continue receiving default service from Liberty
 - leave subsequent to launch without penalty
 - opt into the Program after initial launch
- **Who keeps my lights on?** Liberty will continue to be responsible for maintaining service to your home; if you lose power, you still contact Liberty
- **Billing** – You will continue to receive a single bill from Liberty; the only change is a separate line item for Program supply replacing Liberty default service
- **Customer Service – who do I contact?**
 - **Liberty:** power outage, metering, billing, payments, start/stop service
 - **Program supplier or consultant:** issues regarding opting in or opting out
- **Utility Services** – Utility services unaffected (budget billing, electronic payment, payment arrangements, energy assistance, energy efficiency programs)
- **Are Savings Guaranteed?** The goal is to deliver savings over the life of the Program compared to Liberty default service. However, such savings and future savings cannot be guaranteed



Net Metered Consumers

- Net metered consumers may participate in the Program on an **opt-in basis**
- Net metered consumers may be unable to benefit by enrolling in the program
 - **Consider opt-in:** if kWh consumption consistently > kWh generation
 - **Don't opt-in:** if kWh generation > kWh consumption
- Currently active discussions amongst regulators, utilities, and aggregation advocates to try to facilitate participation for net metered consumers (work-in-progress).

Staying Informed

- Dedicated Program website:
 - Program details and reference material;
 - Customer service number
- Town website and social media
- Community meetings



Plan Development and Approval Process

- Town Council votes to form an Electric Aggregation Committee (“EAC”) (*Apr 2024*)
- FEL/CPG prepare CCA Program Plan (“Plan”) in coordination with EAC and pursuant to statute and rules of the Public Utilities Commission (“PUC”) (*May 2024*)
- Continuing process, either Path A or Path B, as decided by Town Council:

PATH A

- EAC holds 2 public hearings to receive comments on Plan (*Oct/Nov 2024*)
- Town Council approves Plan and warrant article (*Dec 2024*)
- Residents vote to adopt Plan at Town Meeting (*Mar 2025*)
- Plan filed with PUC for review & approval (*Mar/Apr 2025*)
- PUC approves Plan (*May/June 2025*)
- Program launch (*Q3 2025, or later if market conditions warrant*)

PATH B

- EAC holds 2 public hearings to receive comments on Plan (*June/July 2024*)
- Town Council approves Plan (*Aug 2024*)
- Plan filed with PUC for review & approval (*Aug 2024*)
- PUC approves Plan (*Oct 2024*)
- Program launch (*Q1 2025, or later if market conditions warrant*)



Key Considerations

- Over 18 years successfully designing and managing CCA programs.
- Turnkey services – No drain on local resources
- Walmart Effect?
- Keeping decision making local
- Administrative and overhead costs
- Risk management
- Active regulatory and legislative engagement



Questions?

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