

STM 14 – Electricity Aggregation

draft minutes from 2/24/16 A&F meeting

Patrick Farah, Planning Technician/Energy Officer, presented STM Article 14. Article 14 will grant the Board of Selectmen authority to initiate the municipal aggregation process pursuant to MGL Chapter 164, Section 134, to enter into a contract to aggregate the electricity load of residents and businesses within the Town of Plymouth. Individuals and businesses will retain the right to opt out if they so choose. Municipal aggregation is the process by which a municipality or a group of municipalities may purchase electricity in bulk from competitive electricity suppliers instead of an investor-owned facility. The electricity is purchased on behalf of the residences and small businesses within their communities. The Old Colony Planning Council (OCPC) is spearheading this initiative with seven municipalities thus far participating in this initiative.

Municipal aggregation provides municipalities with many benefits:

- Lower electricity supply rates via group purchasing power
- Pricing stability – long term budget certainty
- Broader choice for “green products”
- Local control over contract terms
- Plymouth customers will still continue to receive a single bill from their utility (Eversource)
- Customers will continue to contact their utility for service issues (outages, etc.)
- Customers can opt out without termination penalties anytime during the contracted period
- Shelters residents from dubious offers

The average household should see an annual savings of \$68 per year. That is \$1.2 million total that will stay in town. Recently contracts nearby have been signed for 9.49 cents per kwh. 72 municipalities have approved aggregation.

Questions:

- Will this begin July 1st or a year from now? (S Joyce) It depends on the process with DPV and DOER.
- Does OCPC take money off the top? (H Salerno) No, they do not receive any financial benefit. Local districts (like OCPC) receive funds for planning work from the state, they will use that money for this.
- Will this impact alternative energy sources like solar? (M McGraw) No, this will have no effect on solar or other alternative energy sources.
- The aggregate will look at the lowest cost and not the greenest option? (H Salerno) The goal is the best value, the most bang for the buck.
- Are there any case studies from a community that has done this? (H Helm) Ones we looked at were receiving rates of 13 cents before aggregation and 9.4 cents after.
- Is the rate the same for all hours and all days of the year? (K Canty) Yes, for the period of the contract.
- Can residents that opt out opt back in? (J Moody) Yes.

Patrick O’Brien made a motion to recommend STM Article 14 to Town Meeting. Shelagh Joyce, second. The motion carries unanimously (13-0-1). Marc Sirrico, abstained.
