



# NANTUCKET COMMUNITY POWER

## FREQUENTLY ASKED QUESTIONS (FAQ)

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### 1. What is electricity supply?

National Grid separates your bill into two services, supply and delivery. Supply refers to the electricity itself. Delivery is the process of bringing electricity to you over the wires and undersea cables. National Grid is responsible for electricity delivery for the Town of Nantucket. In addition, National Grid typically chooses your electricity supplier. This is called National Grid Basic Service.

Within Nantucket Community Power, National Grid will no longer choose your electricity supplier. Instead, the Town will strategically select your electricity supplier through a public procurement process. However, National Grid will continue to deliver your electricity, read your meter, care for poles and wires, provide customer service, and restore power when there is a service interruption.

### 2. How much money will I save?

It is not possible to predict how much money you will save. Savings will depend on a number of different factors, such as:

- The rates that are included in the responses to the RFP (request for proposals) that the Town will issue for an electricity supplier
- What type of customer you are (residential vs. commercial)
- How much electricity you consume

In other communities, average customer savings have ranged between approximately \$20 and \$70 a year.

Savings will appear only on the supply portion of your bill. Delivery charges will be unaffected by the Nantucket Community Power program.

### 3. Why does the Town think it can obtain a competitive price?

Because of Nantucket's seasonal population shifts, the island uses significantly more electricity in the summer months, when electricity prices are lower, and less electricity in the off-season, when rates are high and the market is volatile.

This means when the Town negotiates a fixed, year-round price for electricity supply the majority of the electricity being purchased will be heavily weighted toward the lower, summer-month prices. This should create a pricing advantage for Nantucket, making it easier to obtain a year-round price that is lower than the average of National Grid's winter and summer prices.

### 4. What will change with this program?

You will see two changes as a result of participating in Nantucket Community Power:

- On the Supplier Services portion of your National Grid electric bill, you will see the program supplier listed instead of Basic Service.

- The rate that you are charged for supplier services will change from the Basic Service rate to the rate that the Town has negotiated with the selected supplier.

Otherwise, everything else will remain the same. You will continue to receive your bill from National Grid, you will continue to pay National Grid, and you will continue to call National Grid when your power goes out.

If you participate in budget billing or are eligible for any discounts from National Grid, those will be unaffected by your participation in this program.

#### **5. How do I participate?**

All National Grid Basic Service customers within the geographic boundaries of the Town of Nantucket will be automatically enrolled. Automatic enrollment will apply to both residential and commercial accounts that are on National Grid Basic Service.

#### **6. Do I have to participate?**

No. You may choose not to participate in the program. This is known as *opting out*.

After the electricity contract is signed, you will have three ways to opt out before the program begins: 1) You will receive a letter in the mail notifying you of your right to opt out of the program. You may opt out by signing and returning the postcard that accompanies that letter. 2) You may opt out by calling the customer service number for the selected electricity supplier. 3) You may opt out online.

After the program begins, you will have two ways to opt out: 1) You may opt out by calling the customer service number for the selected electricity supplier. 2) You may opt out online.

You may opt out of the program at any time with no penalty or fee.

#### **7. I have signed my own contract with an electricity supplier. Will I be enrolled in the program?**

If you have already signed a contract with an electricity supplier, you will not automatically be enrolled in Nantucket Community Power.

If you would like to participate in Nantucket Community Power, we recommend that you first check the terms of your existing electricity supply contract. Many include minimum enrollment periods and early termination fees.

To participate in Nantucket Community Power, you can call the customer service number of the selected electricity supplier.

#### **8. Who do I call when the power goes out?**

National Grid will continue to deliver your electricity and maintain the poles and wires. Call National Grid if your power goes out, as always.

#### **9. Will I receive a second bill?**

National Grid will continue to bill you for your electricity, and this is the only electricity bill you will receive as a participant in Nantucket Community Power.

#### **10. Will National Grid provide me with a lower quality of service because I participate in this program?**

National Grid's quality of service to you will be unaffected by your participation in Nantucket Community Power. The reason is because National Grid does not profit from the supplier services part of your electric bill. They pass

the electricity supply charges along to you with no markup. They make their profit from the distribution charges. As a result, they are indifferent to whether they choose your supplier or you choose your supplier.

**11. What if National Grid's price falls below the program price?**

The program price will be set for a fixed period of time by a contract. National Grid's prices change every six months or less, depending on what kind of customer you are. As a result, it is very likely that for some months, the program price will be higher than the National Grid price. The program goal will be to beat National Grid's pricing *on average* over the duration of the electricity supply contract.

However, if the National Grid price does fall below the program price, you are free to opt out of the program for no penalty or fee. If you choose to opt out, you will be returned to National Grid Basic Service.

**12. How long will the program last?**

Until the aggregation is formally discontinued by the Town, it will remain in place. However, the specific electricity supply contract lasts for a set amount of time. The Town will establish a contract with an electricity supplier for a duration of time that provides the best possible value for the town. When that contract is finished, the Town will issue an RFP for a new contract. Existing program participants would continue their enrollment in the program automatically under the new contract. If the Town chooses not to issue another RFP and sign a new electricity supply contract, all program participants will be returned to National Grid basic service.

**13. I am currently under National Grid budget billing / eligible for the low-income delivery rate. Will this change?**

If you participate in budget billing or are eligible for any discounts from National Grid, those will be unaffected by your participation in Nantucket Community Power.

**14. I have solar panels on my property. If I join the program, will I continue to receive net metering credits?**

Yes. Net metering will work the same way if you participate in the program. Your net metering credits from your solar panels will continue to appear on your National Grid bill and will continue to be calculated based on National Grid's Basic Service price.

**15. Is Nantucket the only community in Massachusetts creating this kind of program?**

No. Municipal electricity aggregation has been building momentum across Massachusetts. The Town of Nantucket will be joining more than 70 other Massachusetts communities that already have active aggregations, communities such as Salem, Natick, Chelmsford, Swampscott, Greenfield, Westborough, the communities of the Cape, and many others.

**16. Is Nantucket joining other communities in a single aggregation effort?**

No. To ensure the best price for residents and businesses, the Town has decided not to join with other communities in pursuing aggregation. The reason is because more towns does not mean bigger savings.

A community's individual electricity supply price is determined by its unique electricity use pattern, or *load profile*. Because of heavy summer electricity use, the Town is particularly well positioned to obtain a low electricity price. But if it joins with other communities to obtain a single price for everyone, Nantucket customers would likely pay more so other communities - with less attractive electricity load profiles - could pay less. By aggregating alone, the Town anticipates being able to retain the full benefit of its unique electricity use profile and the lower prices it can obtain.