

## How the Program will Work

If you are on National Grid Basic Service, you will be *automatically enrolled* in the program when it launches. If you already have an agreement with an electricity supplier, you will *not* be automatically enrolled, but you may choose to join.

**If you do not wish to participate in the program, you may opt out, or leave, at any time with no penalty.**

## What Will change

After the program starts, the Supplier Services part of your bill will indicate that your electricity is being supplied by the electricity supplier selected by the Town.

You will also see the program rate appear for your electricity supply costs instead of National Grid's Basic Service rate.

## What will not change

- You will continue to receive one bill from National Grid.
- You will continue to call National Grid if your electricity goes out.
- If you are on a budget plan or eligible for a low-income delivery rate or fuel assistance, you will continue to receive those benefits.
- If you have net metering for solar power, your net metering credits will continue to appear on your National Grid bill and be calculated based on National Grid's Basic Service price.

## The Program Implementation PROCESS

Implementing a municipal electricity aggregation is a highly regulated process that is overseen by the Massachusetts Department of Public Utilities (DPU). The entire process takes many months and sometimes up to one year until program launch.

- The first step is for the Town to vote publicly on whether to pursue aggregation (*Article 104* at the 2016 Annual Town Meeting). Once that occurs, the Town will develop an aggregation plan.
- After a period of public review, the Town will submit the plan to the Massachusetts DPU for approval.
- Once the plan receives formal approval by the DPU, the Town will implement a public procurement process to select and sign a contract with an electricity supplier.
- The Town will also conduct a public education and outreach effort about the program.
- At the conclusion of that effort, the program will launch.

*The Town of Nantucket has engaged the consulting team of Peregrine Energy Group and Bay State Consultants to assist with the plan development, regulatory approval, electricity supply procurement, and public education and outreach efforts. This team was selected through a public procurement process. Their services are provided at no cost to the Town.*

# Municipal Electricity Aggregation



FOR NANTUCKET

Municipal electricity aggregation is a form of group purchasing in which a town arranges electricity supply on behalf of its citizens.

Aggregation is allowed by Massachusetts law and is growing in popularity as an alternative to volatile electricity pricing. Aggregation is designed to deliver:

- Competitive pricing / Cost savings
- Rate stability
- Greener Energy
- Contract transparency
- Expanded choices

### For more information, please contact:

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## Nantucket CAN DO BETTER

Winter in Massachusetts has come to mean high electricity supply prices. Because natural gas is the fuel used to generate most of our region's electricity, it drives the price of electricity.

In the winter months, when natural gas is also used for home heating, the natural gas pipeline system becomes congested.

This pipeline congestion makes it more expensive to bring natural gas into the region, increasing natural gas prices and thus the cost to generate and supply electricity.

### The impact Price volatility and instability

National Grid's prices reflect the seasonal shifts in electricity prices and change every six months for residential and small business accounts.

Recent years have seen dramatic price swings between summer and winter that have been difficult to predict and challenging for many to manage.

### Our solution Municipal electricity aggregation

As a community, we can use our island's unique, seasonal electricity usage pattern to secure the lowest available electricity rates in the market, with the best contract terms, from the largest and most responsible competitive suppliers.

## The BENEFITS of Municipal Electricity Aggregation

**Cost savings** - The Town will negotiate a competitive electricity supply price with the goal of beating National Grid's Basic Service rate.

**Price stability** - The aggregation will establish a contract with an electricity supplier for a predictable price over a fixed period of time.

**Greener power cost effectively** - The Town can include more renewable energy in the program than National Grid delivers through Basic Service, including from island renewable energy sources.

**More choice** - Nantucket is currently served by only a short list of electricity suppliers. The program will create more choice by introducing a new supply option to the island.

**Transparency** - The competitive procurement process will ensure a vetted, transparent alternative to National Grid's Basic Service

### The cost of electricity: supply vs. delivery

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.

Within an aggregation, the Town will strategically procure your electricity supply. 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.

## Our UNIQUE ADVANTAGE

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.

That 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.

## The Value of Going It Alone

To ensure the best price for residents and businesses, the Town has decided *not* to join with other communities in pursuing aggregation.

### 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 its 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 use 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.