

Town of Charlton Community Choice Electricity Aggregation Frequently Asked Questions

What is Community Choice Electricity Aggregation?

Community Choice Electricity Aggregation (CCE) is a program in Massachusetts that came out of the **Restructuring Act of 1997, specifically Chapter 164: Section 134. Aggregation of electrical load by municipality or group of municipalities; adoption of energy plan.** The Act empowers cities and towns to create large buying groups of residential and business electricity accounts in order to seek bids for cheaper supply rates, essentially bulk-purchasing. The purpose of the Act was to ensure that the benefits of energy deregulation were passed onto residential customers and businesses by providing the ability to “aggregate” their accounts within their municipal boundaries in order to obtain competitive bids from Third Party Suppliers (TPS). Grouping residential accounts together creates economies of scale, enabling participating municipalities to achieve greater savings for account holders as a whole. You may find more information about the electric industry in the state by visiting the [Department of Public Utilities \(D.P.U\) website](#) or the [Department of Energy Resources website](#) on municipal aggregation.

What are the objectives of community choice electricity aggregation?

The objective of CCE is simply to lower the cost of electricity bills through the formation of a buying group composed of residents and businesses of one or more municipalities without interfering with the level of service provided by National Grid distributing the electricity supply.

How does community choice electricity aggregation work?

First, the municipality must pass an article at a town meeting or a motion at City Council. The municipality then selects a consultant, in this case, Good Energy, L.P., to seek bids from TPS to obtain competitive electricity rates for participants. An account holder will be able to opt out of the program during a 30-day period at the onset of the program. They may also leave the program at any point with no associated termination penalties or fees.

How does community choice electricity aggregation impact my electricity bill?

The goal of CCE is primarily savings and long term price stability, though savings cannot be guaranteed, due to the fact that there is no visibility into future rates. Participants will see no change in their utility bill other than a change in price on energy supply. They will continue to receive a single bill, make one payment, and continue to receive the same level of service from National Grid.

What other Massachusetts municipalities participate in aggregation programs?

Charlton will be joining over 60 Massachusetts municipalities, including Somerville, Winchester, and Brookline, to take advantage of the state law that allows this type of municipal aggregation. [View a list of them on them here.](#)

Will the single bill come from my utility?

Yes, your single bill will continue to come from National Grid.

When will the community choice electricity aggregation go into effect?

The program will launch on your July, 2017 meter reading. Participants will see the new supply charge reflected on their August bill for the previous month's service.

What do I need to do in order to participate?

If you are currently receiving your electricity supply from National Grid's basic service, you do not need to do anything. You will automatically be enrolled in the program unless you choose to opt out.

Do I have to participate in the community choice electricity aggregation program if I don't want to?

No, residents and businesses can opt out of automatic enrollment without penalty during the 30-day period after receiving a notification letter. Notification letters will be provided via USPS mail prior to the program commencing. Simply return the opt-out card within 30 days and your account(s) will not be included in the program. At any point after this 30-day period, participating account holders may leave the program at any time without penalty.

What part of my electricity bill will this program affect?

Your electricity bill has two cost components – delivery and supply. The aggregation program only changes the supply component of your bill. The delivery portion of your bill will not be affected.

When will I begin seeing a change in my electricity bill?

Enrollment will take place in June, 2017. The program will then actually begin with your July meter reading. Changes will be reflected on the following billing cycle.

Under the program, can I continue to participate in my utility's budget billing/equal payment plan?

Yes, you can continue to participate in a budget billing/equal payment plan. No action is required action to remain in the budget billing/equal payment plan.

Will the community choice electricity aggregation program include both electricity and natural gas?

No, the program will focus exclusively on electricity.

What if I choose to leave the program early?

Residents and businesses who are enrolled in the program may terminate their participation at any time without any early termination or exit fees.

How will I be notified that my account(s) was successfully enrolled in the community choice electricity aggregation program?

Each eligible account holder will receive written notification in the form of an opt-out letter after the bid informing them of the winning supplier price compared to National Grid rates, in addition to the account holder's right to opt out. After the 30-day opt-out period has ended and the program has begun, each eligible account holder that did not opt out will see the following indicated on your National Grid bill:

“Our records indicate that you have switched your supplier option to _____ Supplier. If you have been switched without your authorization, a formal complaint can be filed with the Department of Public Utilities.”

This is the only notification from National Grid confirming participation in the program that account holders will receive.

Can businesses participate in the program?

Yes, any account currently on basic service that is not enrolled with a TPS is eligible and will be automatically enrolled unless they choose to opt out.

I switched to a third party supplier and a few months later, my rate increased and I was paying much more than the utility rate. How do I know this won't happen again by participating in this program?

The final contract will require the winning supplier to maintain a new rate for the first six months, whereupon the rate change will change and remain in place for the balance of the contract term. These are called a fixed rates.

How do I know the community choice electricity aggregation rate will always be below the utility rate?

The consultant has extensive knowledge of how utility tariff rates are determined, and as such, will structure a term with the goal of providing annual savings throughout the term of the contract.

How are we sure that a competent and reputable supplier will be selected?

Only TPS licensed by the state will be eligible to bid. In addition, an in-depth request for proposal is disseminated by the energy consultant to interested TPS requiring them to provide their qualifications. Among other things, the request requires suppliers to demonstrate financial strength, experience, in addition to customer service capabilities.

Will my utility be eligible to bid?

No, by law, utilities are not permitted to bid. With regard to supply, the utility only provides default service, however, the utility will always be responsible for delivering your electricity.

How long is the supply contract term for my community's program?

The contract term will be 30 months in duration.

Do I have to sign a contract?

No, there is no contract to sign. The program is designed to be as easy as possible for participants. Accounts are automatically enrolled as long as they are currently receiving supply from the National Grid. Regular updates will be posted on the municipality's website as the opt-out period approaches.

If I opt out, can I opt back in at a later date?

Residents and small commercial accounts who are enrolled in the program may terminate their participation in the program at any time without any early termination or exit fees. They may also re-enroll in the program at a later date with no associated re-enrollment fees at the rates scheduled under the original program terms. The aggregation program rate will be reflected on the account holder's utility bill on the next available billing cycle. Because switching suppliers requires at least two days to process by your utility, you are encouraged to re-enroll in the program at least five business days prior to the meter read date indicated on your utility bill in order to ensure re-enrollment occurs on a timely basis.

What if I have a photo-voltaic or solar panel system?

Having a solar system which allows you to earn net metering credits does not preclude you from participating in the aggregation program. As long as the account holder is receiving supply from National Grid, they are able to participate in the aggregation program and will continue to receive net metering credits from the utility. Net metering will work in the same way as before you joined the CCA program. Your net metering credits will continue to appear on your National Grid bill and will continue to be calculated based on National Grid's Basic Service price. In addition, there is no change in SREC eligibility or the ability to sell the SRECs.

Who do I call if there is an outage or issues with my electricity bill?

All service and billing questions will continue to be directed to National Grid at (800) 322-3223.

How do I contact the winning supplier?

Public Power, LLC is the winning supplier for the program. They may be reached by phone Monday through Friday from 9:30 AM to 6:30 PM EST at (800) 830-2944, or via email at customercare@ppandu.com.

Will the utility take longer to restore my electricity if I am with a third party supplier?

No, the delivery of your electricity is always the responsibility of the utility. As a result of energy deregulation in 1997 in Massachusetts, utilities are only able to collect revenue from delivering the power to your meter, not from the actual supply. This is why utilities in Massachusetts are indifferent to the supply portion of the bill. Simply put, National Grid does not make any money on the actual electricity they supply to your account(s). They only generate revenue from the delivery of that electricity.

Will I be charged a higher delivery rate?

Delivery rates do not change based on participation in a CCE program. Utility delivery rates are regulated by the state and the Federal Energy Regulatory Commission (FERC).

I am currently receiving offers from third party suppliers promising lower electricity rates. What should I do?

TPS are currently very active within the Commonwealth. This is due to the recent significant increases in electricity rates for all utilities within Massachusetts. We strongly advise any account holder to read the complete contract fine print and have a clear understanding of any termination penalties, along with rate details, before agreeing to purchase electricity from a TPS.

Will other third party supply offers stop if I participate in the program?

No, unfortunately, you may continue to receive other TPS offers. It is important, therefore, to remember the details of the aggregation program, i.e., the duration of the program, rate, etc. Very often, due to the length of time commonly associated with these types of programs, participants often forget the program is still in effect, when in fact there may be months or even years remaining. Sometimes this results in a participant inadvertently leaving the program for what they may believe to be a better offer. You are encouraged to remember that the CCE program is operated under the due diligence of your municipality and though not impossible, it is unlikely that other offers will be more competitive. Please regularly visit this site and your municipality's site(s) for updates.

Does my municipality profit from the program?

No, your municipality does not profit from a CCE program.

What administrative functions will the municipality be performing related to this program?

The energy consultant will be responsible for managing all aspects of the program and keeping the municipality appropriately informed.

How can I get more information about the community choice electricity aggregation program?

Various public meetings and information sessions will take place in your area. Please check for announcements from your municipality and local news outlets. You may also call and speak to a town representative at (508) 248-2206, or email directly at kara.hmielowski@townofcharlton.net.

What if the selected supplier goes out of business or is bought?

Good Energy's due diligence process requires bidding suppliers to meet strict qualification requirements. Among other things, the request requires suppliers to demonstrate financial strength and experience, as well as customer service capabilities. This process minimizes any chance of a supplier going out of business. If the supplier is bought, the purchasing entity will continue to provide supply service under the existing contract terms.

Is there any change to my meter? If so, how/who reads the meter?

No, there are no changes to your current meter. National Grid continues to read your meter.

Is a deposit required?

No, no deposit is required.

What happens at the end of the community choice electricity aggregation supply contract term?

Good Energy will work with your community to obtain renewal pricing. Similar to the original term, eligible customers will be given the opportunity to opt out.

Does the municipality pay any administrative fees?

No, the municipality does not pay any administrative fees.

Who is Good Energy, L.P.?

Good Energy, L.P. is a leading national energy management and consulting firm that has been implementing large and small community choice aggregation programs in various states across the country since 2008. They have partnered with your municipality to design and operate this CCE program. Good Energy is headquartered in New York City and is currently the retained community electricity aggregation consultant for over 200 communities across the country. Your community selected Good Energy to serve as its energy consultant through a competitive process, in partnership with neighboring cities and towns.