



Art by Kiki Erickson, Natick student

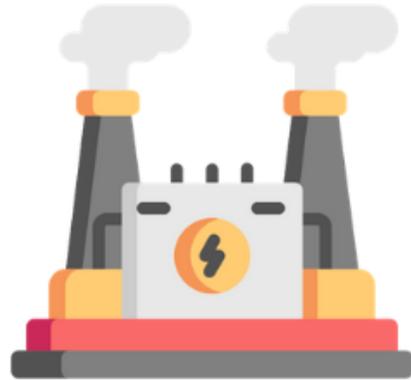
Natick Electricity Aggregation

July 2020 Program Update & Policy Discussion

What is Electricity Aggregation?

Your electric bill has two parts:

Generation



Where and how the electricity is "made"

Delivery

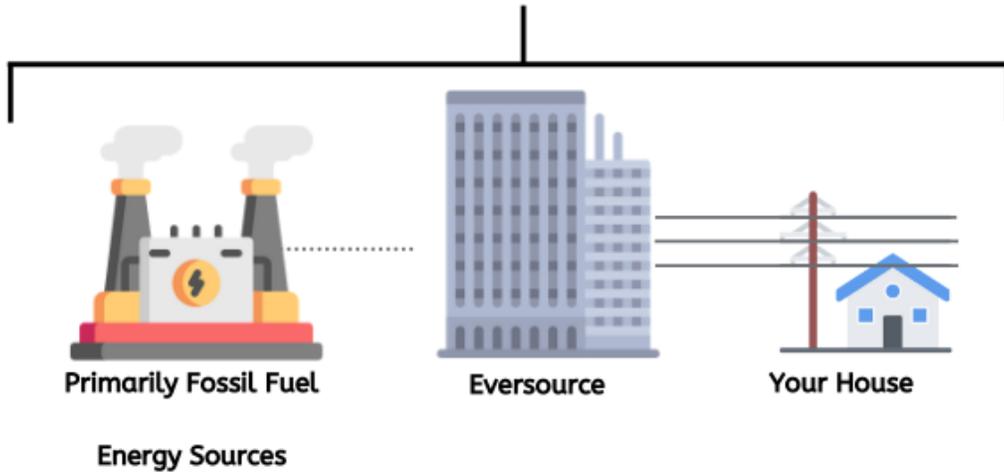


How it gets to your house (power lines)

What is Electricity Aggregation?

Business as Usual

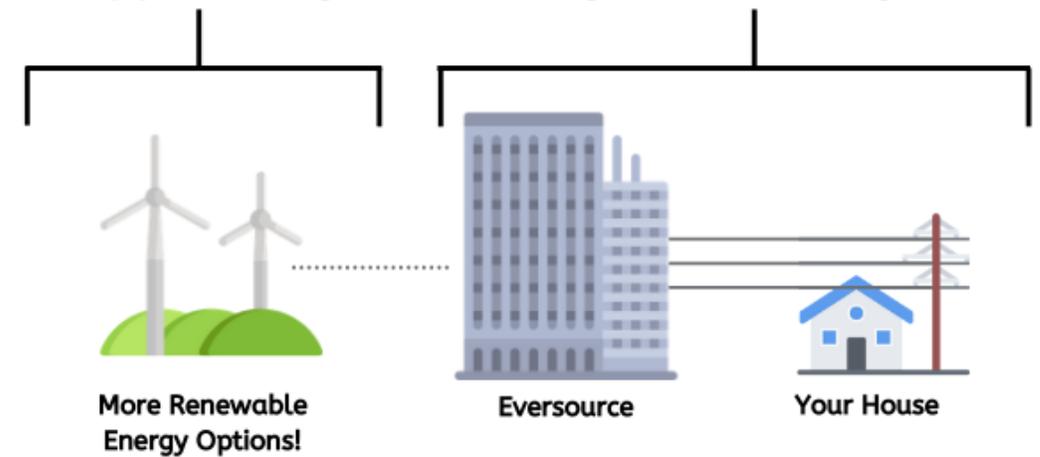
Eversource delivers and supplies
(buys from third parties) your electricity



Aggregation

Community selects
a supplier for you

Eversource delivers
your electricity



Am I in the Aggregation?

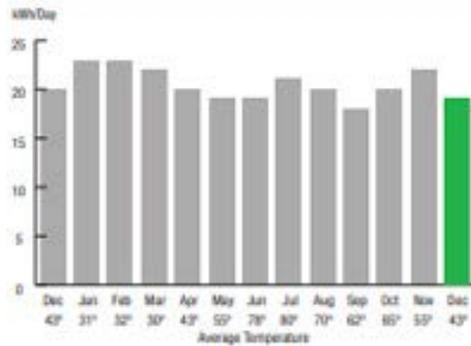
EVERSOURCE

Account Number: 0000 000 0000

Statement Date: 12/11/19

John J Customer
123 Any St
Any Town, MA 00000

Electric Usage History - Kilowatt Hours (kWh)



Electric Usage Summary

This month your average daily electric use was **20 kWh**

This month you used **9% less** than at the same time last year.



Total Amount Due by 12/29/19

\$125.73

Amount Due on 11/30/19	\$149.03
Last Payment Received 11/25/19	-\$149.03
Balance Forward	\$0.00
Total Current Charges	\$125.73

Current Charges for Electricity

Supply
\$60.30

Cost of electricity from Eversource

Delivery
\$65.40

Cost to deliver electricity by Eversource



Your electric supplier is
Eversource
247 Station Drive
Westwood, MA 02090

Should list Direct Energy, if enrolled in Natick's electricity aggregation program as of 7/1/2019. Direct Energy is the aggregation supplier through 12/1/20

Current Supplier Choices in Natick

Natick Electricity Aggregation

STANDARD GREEN

11.263 ¢/kWh*

Default
10% additional
renewable energy (24%
in 2019;
26% in 2020)

No penalty to opt out

NATICK BROWN

11.026 ¢/kWh*

Opt-in
Meets minimum state
requirements for
renewable energy (14%
in 2019; 16% in 2020)

No penalty to opt out

100% GREEN

13.063 ¢/kWh*

Opt-in
Meets minimum state
requirements for
renewable energy
(100% in 2019 & 2020)

No penalty to opt out

Eversource

(new price as of July 1)

BASIC SERVICE

9.88 ¢/kWh*

Opt-out default
Meets minimum state
requirements for
renewable energy (14%
in 2019; 16% in 2020)

No penalty to opt out

Competitive Supplier

MANY OPTIONS

Prices vary*

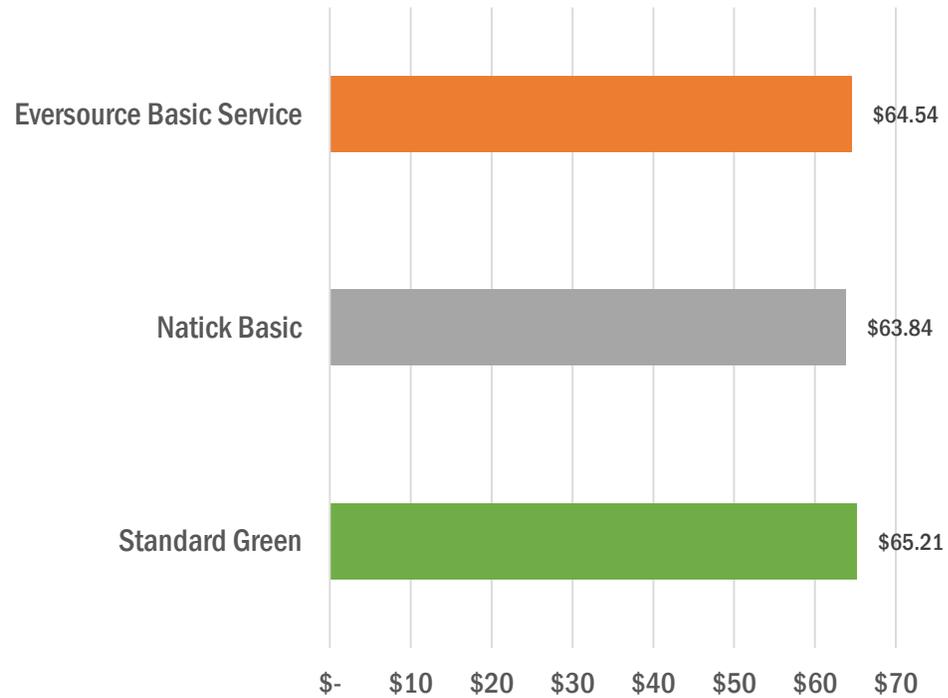
Private contract
Meets or exceeds
minimum state
requirements based on
contract terms

Penalties may exist

Performance: Price

Average Monthly Cost of Electricity Supply

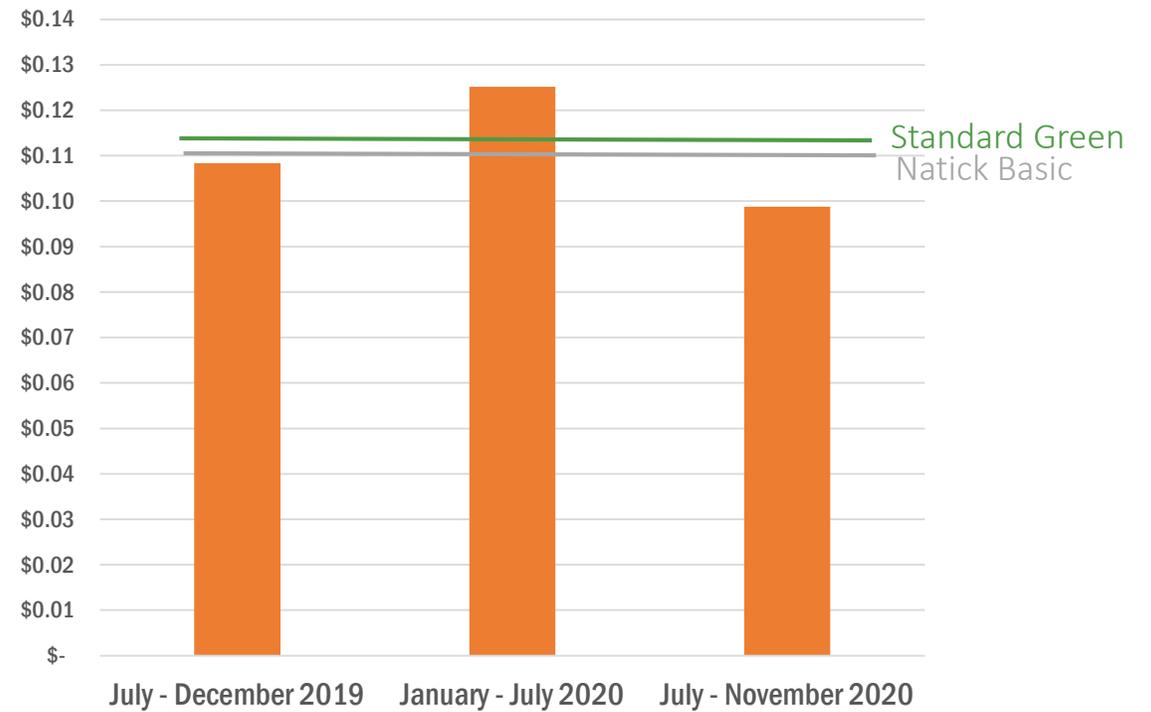
July 2019 – November 2020*



*Estimates based on 575 kWh/household

Eversource Basic Service Rate

Per Rate Period



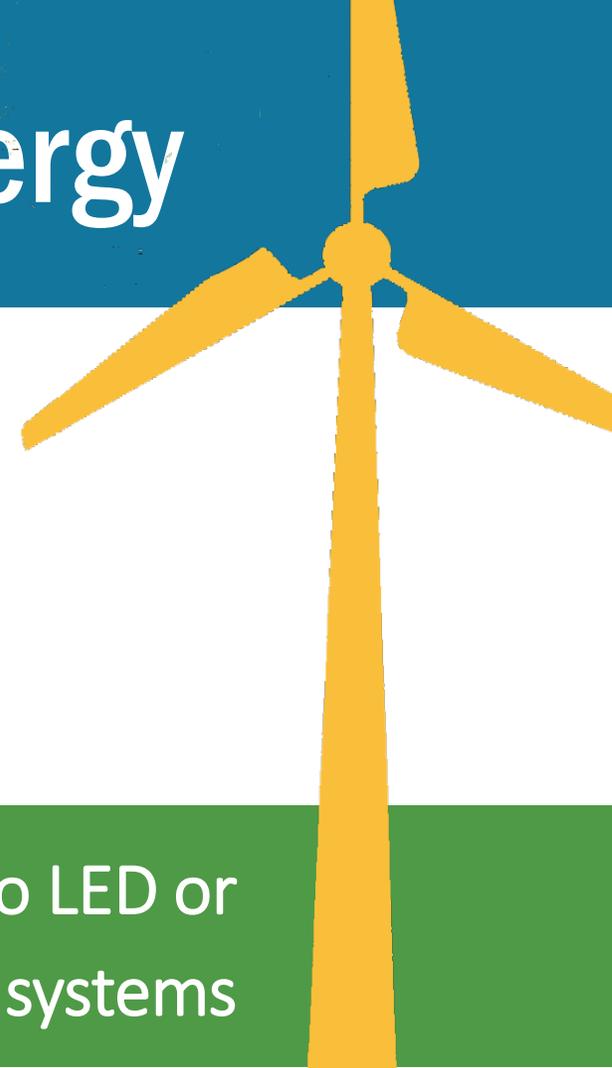
Performance: Renewable Energy

To-date, Natick's program has avoided **46 million pounds of CO2**

The clean energy provided through Natick's aggregation program is equivalent to ...

... switching more than 170,000 incandescent lamps to LED or the output of more than 1,600 residential rooftop PV systems

In 2019, the aggregation included 10% renewable content, which is estimated to have reduced community-wide greenhouse emissions by 2,700 tons of CO2 (4% of our total emissions from electricity use).



Performance: Participation

The Natick Electricity Aggregation Program currently serves more than twice as many customers as Eversource's Basic Service and all competitive electricity suppliers combined.

	Aggregation			Eversource's Basic Service*	Other Competitive Suppliers*
	Standard Green	Natick Basic	100% Green		
Residential accounts	10,545	160	111	1,968	2,195
Small business accounts	1,120	3	3	343	926
• Large business accounts	4	3		4	93
Total accounts	11,669	166	114	2,315	3,214
% of Customers	68%			13%	18%

**How do we manage the aggregation
moving forward?**

Opportunity

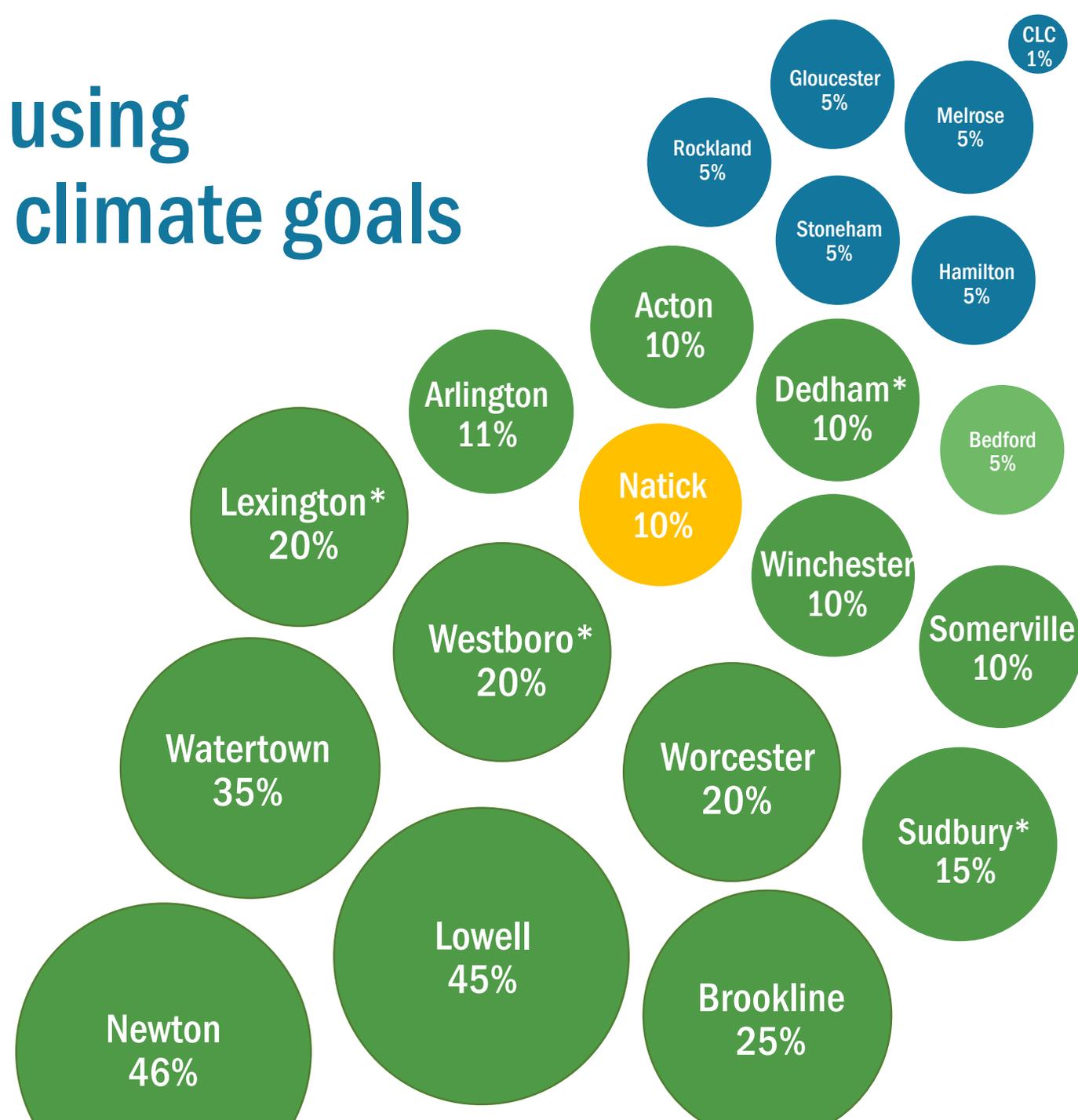
Thoughtfully leverage the aggregation program to pursue Natick's goal to achieve net zero carbon emissions by 2050.

- Electricity is responsible for 20% of Natick's community-wide greenhouse gas emissions
- Electricity usage is expected to increase as society transitions from natural gas and oil to all-electric home heating and transportation
- Aggregation offers the least expensive and most efficient way to reduce emissions

Many communities are using aggregation to support climate goals

Natick currently includes an **additional 10% renewable energy** above the state minimum as the default in Standard Green.

A growing number of communities are requiring a greater amount of New England-based, renewable energy in their default – for example, Brookline, Lowell, Newton, Watertown and Worcester.



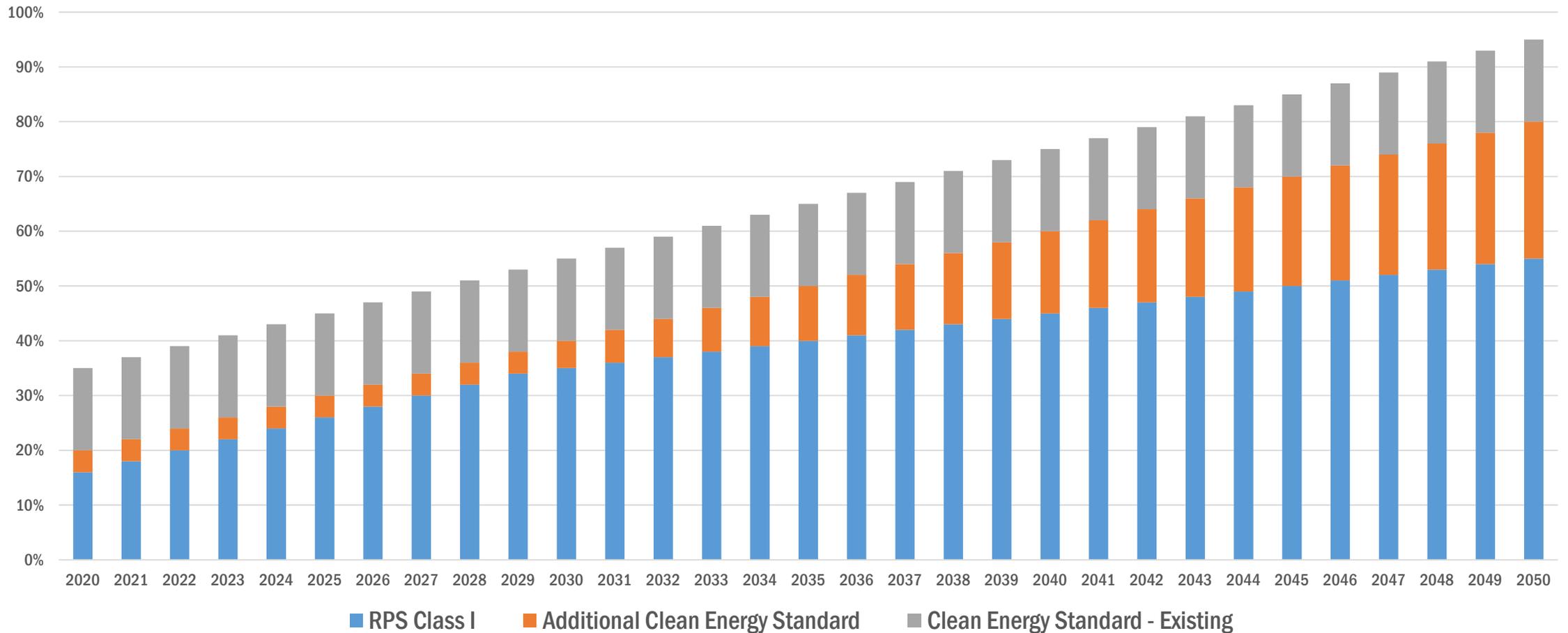
When we last spoke

December 2019: Board expressed interest in adopting a policy that would define the goals, terms and conditions for the aggregation over time.

March 2020: Draft policy provided, conversation put on hold due to COVID-19.

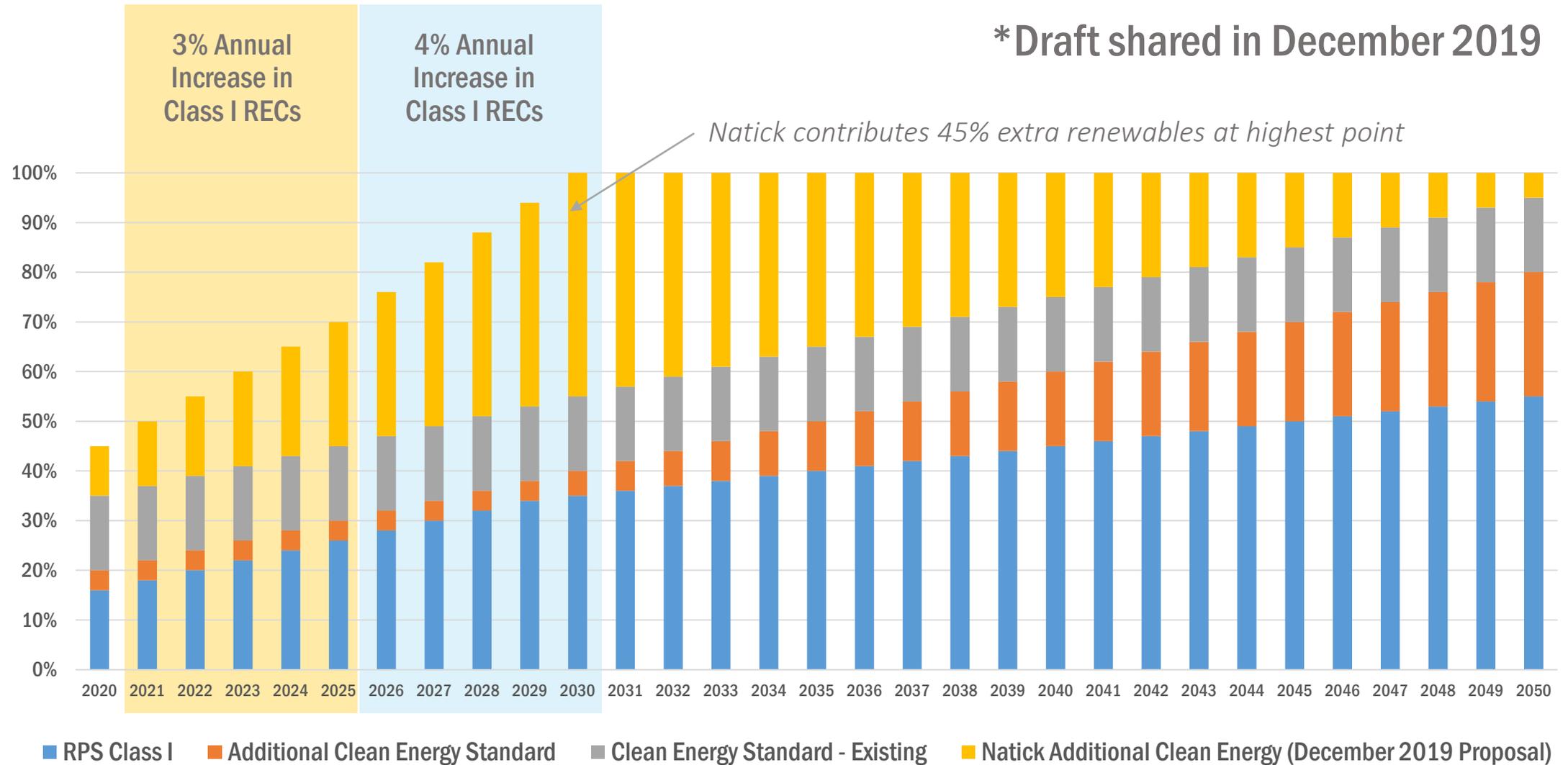
- **Transparent** decision-making process
- **Financial predictability** of transition over time
- **Lower cost** of transition as renewable energy market grows
- **Health and environmental benefits** of sourcing clean, safe energy
- **Responsive** to public interest and Fall 2018 Town Meeting Resolution to Achieve Net Zero Emissions

MA is transitioning to renewable electricity



Proposal: Achieve 100% Clean Electricity by 2030*

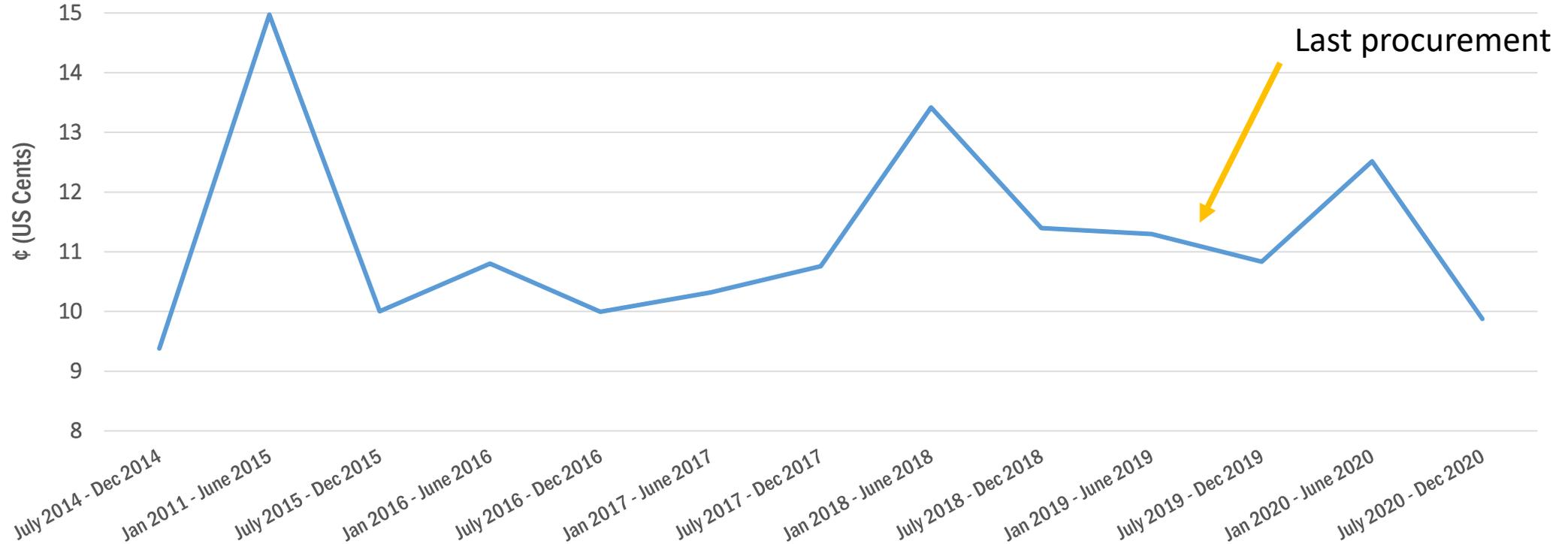
*Draft shared in December 2019



Considerations: Lower Market Price

Price of Eversource Basic Service

July 2014 - Present



Considerations: Renewable Energy

Recent procurement results: 33 months / Current REC price: \$45/MWh

Cost impact on average resident for varying percentages of voluntary MA Class I RECs:

Cost Impacts	% of Voluntary MA Class I RECs			
	10%	20%	30%	40%
REC Price MA Class I (¢/kWh)*	0.45	0.90	1.35	1.80
Additional \$/month for average residential customer assuming 575 kWh per month	\$2.59	\$5.18	\$7.76	\$10.35

** assumes a current MA Class I Rec Price of \$45 MWh (0.045 cents/kWh)*

Considerations: Low Income Customers

Opportunity to manage default product offering by rate class and provide protection to low income customers

- Transition existing low income customers to the Basic/Brown product
- Automatically place new low income customers in the Basic/Brown product
- Allow participants to opt up to the Standard Green or 100% Green product

Next Steps

- **Early August:** consider policy options and issue request for indicative prices
- **Late August:** finalize allowable contract terms and grant Town Administrator authority to execute contract on bid day
- **September:** bid date, potentially execute contract for winning bid
- **Fall:** transition accounts to new supplier
- **December 1:** new rate/contract in effect with first meter reads in December