

Community Choice Aggregation

Community Choice Aggregation (CCA) is a program that allows Massachusetts municipalities to voluntarily bundle or "aggregate" the electrical purchasing power of its households, effectively creating a town-wide buying group. By doing this, the town can establish contracts to obtain electrical services that are more responsive to community interests — either lower cost or "greener" sources of the electricity supply. By aggregating, a town gains leverage to negotiate better individual rates with competitive suppliers, as well as determining various options for green power sources. The household gets to pick the type of service it wants — this is the "choice."

A Town Meeting vote is required to authorize the Select Board to initiate exploration of the CCA program.

Approval (a "yes" vote) of the Warrant Article at Town Meeting would allow Shutesbury to investigate electricity suppliers, to seek competitive bids on source options, and eventually to contract an electrical supplier that meets our needs (or to reject all bids and keep the status quo).

Would setting up a CCA be complicated for a town like Shutesbury?

No. As of May 2022, over half the households in the Commonwealth were served by municipal aggregation, including towns smaller than Shutesbury. Setting up a CCA is not complicated, but the process involves several bureaucratic steps that take some time.

What are the steps involved in a town's creating Community Choice Aggregation?

- Town researches pros and cons of Community Choice Aggregation (CCA).
- Select Board considers putting the question of CCA on a Town Meeting Warrant.
- Town Meeting vote to authorize development of a CCA Plan.

If Town Meeting votes to authorize CCA:

- Town issues a Request for Proposals (RFP) for an energy broker to work on Town's behalf.
- Selected Energy Broker develops an Aggregation Plan with the Massachusetts Department of Energy Resources (DOER).
- Proposed Aggregation Plan is posted publicly for 30 days for review and comment.
- Select Board votes whether on not to approve the Aggregation Plan.

If Select Board votes to approve the Aggregation Plan:

- Town's Energy Broker submits the approved Aggregation Plan to the department of Public Utilities (DPU).
- Energy and Climate Action Committee (ECAC) in consultation with Energy Broker develops CCA design with an array of consumer options to be put out for bid.
- Select Board approves Shutesbury CCA design.
- RFP is issued to obtain competitive bids that can meet the needs established by the Shutesbury CCA design.
- Select Board chooses an energy supplier based on bid.
- Contract is executed with energy supplier.
- Shutesbury resident are notified by mail with opt-in and opt-out procedures for CCA participation.
- CCA enrollment begins.

Does the Community Choice Aggregation Program require people to join?

No. People can opt out at any time, although nationally, only 3%-5% do so.

Who pays for setting up and running a CCA?

An energy broker would be engaged to help set up the CCA, but at no direct expense to the town. Energy brokers are paid a small commission on the total electricity purchased in the plan, usually around \$0.001 per kWh. Even with broker's fees, municipalities have saved more money with aggregation than without, so even with the commission added to individual bills, consumers can still save money.

Other than opting out, what kind of choices would CCA provide?

At a minimum, CCA would offer a base plan that meets the current MA requirement for renewable energy (MA Req). CCA would further provide additional energy generation options with a greater proportion of green electricity (MA Req Plus), including up to 100% green electricity. Most towns have 3 or 4 options to choose from in their plans. The town can also explore if it is possible or practical to further determine the source of energy, whether it be wind, solar on disturbed land, etc.

How would CCA affect my electricity bill?

CCA participants would see a change only in the cost charged for energy supply. The name of the supplier would be noted clearly and separately from the utility's delivery charge. You would continue to receive a single bill and make one payment.

If the CCA provides electricity supply choice options, when in the process of setting up a CCA plan are the choices established?

Since prices are dependent on the market at the time of bidding, decisions regarding specific options occur relatively late in the process (likely 2024 for Shutesbury). This is after a town votes to consider CCA, an Energy Broker is engaged, and two state agencies have reviewed the town's application of interest. Only after these steps have been completed will ECAC work with the Energy Broker to provide the Select Board a recommendation on supply choice options that meet the needs and interests of residents. The Energy Broker would then work with the Select Board to seek bids. After bids are received, the Select Board can then either choose a supplier (and specific options) or reject the bids.

What do you mean by "green electricity"?

In Massachusetts, green electricity (Class I RECs) is defined as electricity produced from renewable sources such as solar, wind, small hydro, digester gas, or geothermal on the New England power grid from a source built after 1997. By law, all electricity supply products must include a minimum percentage of clean/renewable energy sources (51.3% in 2022). Because there are various types and levels of renewable sourcing, the town will have the ability to define and possibly exceed the state definition and percentage of "green electricity."

How does CCA affect households that have net metering for solar on their property?

Net metering for solar is not affected by CCA. Households with net metering will continue to receive credits, appearing on their utility bill at their utility's Basic Service Rate (not at the rate of their CCA chosen option).

How does CCA affect participants of the Fuel Assistance Program?

CCA customers continue to get all benefits that are available through National Grid or Eversource. If a customer benefits from the discounted Low-Income Rate, they continue to receive that benefit from the utility. If a customer benefits from the Farm Discount Program or receives budget billing, those benefits continue with aggregation.

Many people in Shutesbury are concerned about clear-cutting forests to site solar arrays. Is it possible to specify that Class I RECs come from responsibly-sited solar?

Shutesbury could request that Class I RECs from solar be sourced from reclaimed brownfields or similar, degraded land, but having that among Shutesbury's options depends on several factors: what the ECAC and Energy Broker recommend, what the Select Board determines as the final set of options, and then specific market response when bids are made.