

Community Choice Aggregation Plan

Lincoln, New Hampshire

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**Introduction**

The Town of Lincoln, New Hampshire (“Municipality”) has developed this Community Choice Aggregation Program (“CCA”) with the goal of providing its rate payers with an alternative default service that combines the criteria of low cost, increased renewables, rate stability and strong customer friendly contract terms.

This aggregation plan (“The Plan”) was authored by the Aggregation Committee (“The Committee”) in conjunction with the Municipality’s chosen CCA partner Freedom Energy Logistics (“FEL”).

**Goals and Components**

Consumer Protections: Under this CCA, the contract terms will provide the highest level of consumer protection for the Municipality’s rate payers. Rate Payers will be able to rely on price security (if that is the option selected/offered), clearly defined terms of service, no exit penalties, no out of contract rates and multiple options to handle customer service-related issues or queries.

Program Optionality: It is the goal of this CCA to provide the Municipality’s rate payers with more than a single option. This Plan was developed with an eye towards an alternative default service rate inclusive of renewable energy at a fixed cost, but also with secondary options or opt in options of 100% green and market-based pricing.

Strength of Supplier: Suppliers allowed to bid on the CCA’s portfolio must demonstrate the highest level of financial strength and reputation. With the recent bankruptcies of certain suppliers in the New England Region as well as questionable pass through practices, the Plan shall emphasize that low cost is a significant factor in determining the winning supplier, so long as they have the financial reputational strength to meet their contractual duties to the CCA.

Cost Savings to Residents: Under the initial CCA Opt Out Rate offering, the Town will make every effort to maximize electric rate savings for the residents and businesses utilizing the New Hampshire Electric Co-op’s standard offer in Lincoln. Although savings cannot be guaranteed under the CCA program, purchasing through CCA has inherent pricing advantages not enjoyed by the host utility company that should manifest in lower power rates for Lincoln’s participating residents.

For subsequent CCA Opt Out Rate offerings the Town may pursue additional or different priorities such as, but not limited to, higher renewable generation percentages, market based pricing and/or the inclusion of generation from locally sourced power producers.

Delivering on Benefits of Electric Choice for Smaller Rate Classes: The Municipality strives to offer all rate payers within its jurisdiction additional competitive choice when it comes to power purchasing, but with a special emphasis on providing that choice for residential and small commercial rate payers. Deregulation of New Hampshire’s electricity markets have been a major success for larger commercial and industrial rate payers in the state, however smaller rate payers (i.e. residential and small commercial) have not had the same opportunity to benefit. Through Lincoln’s decision to move forward with CCA, the hope is that the aggregated purchasing power of all participating rate payers will finally deliver the same positive experience (savings, strong contracts and multiple product offerings) across all rate classes.

**Statutory Requirements**

Per the CCA statute, RSA 53-E requires that an Aggregation Plan include the following details:

* organizational structure of the program,
* operating and funding,
* rate setting and any costs to participants,
* whether supply services are offered on an opt in or opt out basis,
* methods for entering and leaving agreements with other entities,
* rights and responsibilities of program participants
* treatment of those participants enrolled in the electric assistance program, ensuring continued discount
* termination of the program.

**Organizational Structure**

1. **The Organizational Structure of the plan will be as follows:**

Board of Selectmen: The Plan will be approved by the Board of Selectmen and overseen by the Board of Selectmen and/or their designee(s) (I.e. Town Manager or Public Works director). The designee(s) of the Board will be responsible for making decisions and overseeing the administration of the Program along with FEL. Prior to the receipt of the bids from approved Competitive Suppliers, licensed with the NH PUC, the designees shall be authorized to execute an electricity supply agreement under the parameters set forth by the Board.

FEL: FEL will manage specific aggregation activities called for under the Plan and their CCA partner agreement with the Municipality. Those duties will include, but are not limited to, managing the procurement process, selecting the approved Competitive Suppliers eligible to bid, reviewing and negotiating the Competitive Supplier contracts, hosting/maintaining/updating informational website for the municipality’s CCA program’s participants, monitoring the supply contract and acting as an initial point of contact for the winning Competitive Supplier to handle any post contract issues. FEL shall also act as a program level customer service contact for participants, providing general information about participants’ rights, rates, terms and obligations under the CCA.

Competitive Supplier: The Competitive Supplier will be the source of the electricity for the CCA, be responsible to provide notification to all rate payers in the Municipality per statute with assistance from the Local Distribution Company, the Municipality and FEL, provide account level Customer Service to program participants, work with FEL and the Municipality to manage all opt outs, opt ins and sweep for new accounts during the term of the CCA Agreement.

1. **Operating and Funding**

This CCA shall be self-funded through the rates charged by the Competitive Supplier, provided a Competitive Supplier is chosen. FEL has been hired as the Town CCA consultant and will be funded by adding a small fee to the rate charge by the serving Competitive Supplier. The Town will not be under any obligation to expend financial resources towards the administration, implementation and/or maintenance of this CCA.

In the event that FEL is unable to collect on any owed by the Competitive Supplier, FEL shall not have any right to charge a separate fee to the Town or its participating rate payers.

Following approval of the Plan by the Board of Selectmen and passage by the governing body, the next steps shall be as follows:

* The Town shall request all necessary information for the successful operation and implementation of the CCA from applicable the Local Distribution Company (“LDC”). This may include, but is not limited to, Town rate payer’s applicable class, usage data, ICAP tags, load profile, supplier status, EAP status, net metering status, etc…
* Issue Request For Proposal (“RFP”) for power supply and select a Competitive Supplier
* Issue notification to all potential program participants, providing for 30 days opt out
* Within 15 days of notice, hold public information meeting to answer questions
* Enroll customers and provide service

1. **RFP Issuance and Vendor Selection**

Vendor Selection for Power Supply

The Municipality will solicit bids from top rated Competitive Suppliers. The RFP will require that the winning supplier satisfy the following criteria, including:

* Licensed by the NH PUC
* Strong financial footing
* Experience in the ISO New England market
* Ability to manage large scale customer service
* Strong reputational history
* Strong customer friendly contract terms

For the purposes of this Plan, Suppliers shall be required to include the following terms and conditions in their electric supply agreement

* Provide full requirements service at a fixed price for the CCA’s Opt Out Rate
* Contract rate shall include FEL’s consulting fee
* Allow customers to exit without an early termination penalty
* Offer new rate payers the ability to join the Town’s CCA mid contract
* No hold over rates

For the purposes of this Plan, Suppliers may be required to include the following terms and conditions in their electric supplier agreement

* Include a percentage of renewable generation into fixed priced offer via direct contract with generator or via the inclusion of Renewable Energy Certificates (“RECs”)
* Hold rate payers harmless for any opt outs properly and timely received by supplier but not properly or timely processed by supplier. (Issues, mistakes or delays caused by LDC shall not be the responsibility of the competitive supplier.)
* Offer consolidated billing through the LDC to limit rate payer confusion and maximize convenience.
* Offer a different rate based on rate class if it is determined by the Town and their designees that it is in the best interests of the majority of their rate payers to do so.
* Offer secondary Opt In rate plans such as, but not limited to, a 100% Green option.
* Other such terms and conditions as the Town deems necessary to meet the goals outlined in this Plan.

The Board of Selectmen shall authorize to their designees to select a bid and enter into an electric supply agreement for the CCA, based upon the parameters set by the Board in the best interests of the program participants. In conjunction with FEL, the designees shall evaluate the bid results using price, terms and source. It is the goal of this Plan to provide program participants with the best all around service. While lowest price is an important criterion, it is not the only criteria and as such the Municipality wishes to engage the vendor that can best meet the needs of the community, can service the entirety of the contract without disruption or mid contract adjustment and help the Municipality achieve or make progress towards their renewable initiatives and goals.

If none of the bids returned are satisfactory, the Municipality or its designees shall reject all bids and repeat the RFP process until such time as a satisfactory bid materializes.

1. **Issuance of Notice and 30 day opt out**

Once a Competitive Supplier is chosen to serve the CCA, the Municipality and FEL will work with the Competitive Supplier on the required 30 day opt out notification. (See Exhibit A SAMPLE) The notice shall be a direct mail piece, mailed by the Competitive Supplier to all rate payer within the municipality using the addresses provided by the LDC. The Competitive Supplier shall be responsible for processing all opt out and opt in requests and include a pre addressed opt out card with every notice. (See Exhibit B SAMPLE)

The Notice shall include: price, term, supplier name and website, participant rights (right to opt out and automatic enrollment if no action taken by default service customers), how to opt out, the Municipality’s CCA website (hosted and maintained by FEL), 800 number for customer service questions, all added charges (if any), all additional opt in offerings (if any), the current basic service offering from the LDC (residential only), no savings guarantee disclaimer and date of the public information session.

1. **Public Hearing (Informational Session)**

Within 15 days of the Competitive Supplier mailing out notifications, the Municipality shall hold a public information session on the CCA program. The session shall be hosted by representatives of the Municipality and FEL, in a place or facility commonly used to hold public indoor gatherings. The purpose of the informational session is to answer any questions brought forward by the public with regard to any aspect of the program so that they may make a properly informed decision prior to the end of the 30 day opt out period. Materials shall be prepared and made available to the attending public by FEL, giving an overview of the CCA program and highlighting material components.

1. **Enroll Customers and Provide Service**

At the end of the 30-day notice period and after sufficient time has been allotted to properly register all opt outs, the Competitive Supplier shall commence enrollments of all program participants with the LDC. Once enrolled, the CCA program shall provide ongoing customer service, maintain the website, process new enrollments as well as provide for additional public information sessions, if necessary. Prior to the expiration of the electric supply agreement, the Municipality intends to solicit a new electric supply agreement to commence on the final meter reads of the prior agreement. In the event, that no bid is selected for a subsequent electric supply agreement, the Municipality shall notify the LDC to return all program participants to the LDC’s default service offering on the final meter reads of the existing electric supply agreement.

1. **Rate Setting and Costs to Participants**

As the Plan outlines, the electricity supply charges of the CCA program shall be set through a competitive bidding process and will include any aggregation fees, including FEL’s. The rate set for program participants may vary by customer class, as well as the length of the electric supply agreement. The CCA Opt Out Rate shall not change during the term of this CCA electric supply agreement, unless it is the result of verified change of law that took place after the Competitive Supplier bid and was awarded the CCA agreement. In such instances, any price change shall be communicated to program participants through media releases, posting on Municipality social media accounts (if any) and the FEL hosted CCA website.

This CCA program only impacts the electric supply charges of program participants. Transmission and distribution charges will be unchanged and unaffected by participation in this CCA program. Power outages, meter issues, maintenance or other matters related to the delivery of electric service shall remain the responsibility of the LDC.

1. **Form of Service offering (Opt In/Opt Out)**

For rate payers within the Municipality on default service with their LDC, this Plan shall treat them as Opt Out customers. This means that they will automatically be enrolled in the CCA unless they affirmatively opt out during the 30-day notice period, through means and mechanisms prescribed in this Plan and within the Notice. For rate payers within the Municipality not currently on default service with the LDC, they must affirmatively Opt In within the 30-day notice window. The purpose of this provision is to avoid interference with existing contractual relationships at the time the program is rolled out.

Additionally, Rate payers may also Opt In within the 30 day notice period, or at any time if allowed, to secondary product offerings (i.e. 100% Green), regardless of whether they are currently on default service with the LDC.

1. **Methods for Entering and Leaving Agreements with Other Entities**

The process for entering, modifying, enforcing and terminating all agreements associated with the Plan will comply with the municipal charter, federal and state law and regulations, and the provisions of the relevant agreement. The Municipality plans to use the same process described in Section II 2.A. of this Plan to solicit bids and enter into any subsequent electricity supply agreements with the assistance of FEL. Program participants will be notified of subsequent electricity supply agreements through press releases and public notices. The transfer of customers from the existing supplier to the new supplier will be coordinated with the LDC using established EDI protocols.

1. **Rights and Responsibilities of Program Participants**

All program participants will have the right to Opt Out of the program at any time without an early termination penalty. In order to Opt Out the program participant may contact the supplier, the LDC or enroll with another supplier.

Program participants will also maintain all rights and protections of NH law and regulation. They have the right to questions billing and services and register complaints with the Municipality or the NH PUC.

1. **Treatment of Participants Enrolled in Electric Assistance**

Provided that the requisite rate payer data is available from the LDC and provided to the Town, rate payers that are currently enrolled in the Electric Assistance Program (“EAP”) may Opt In to any of the programs and products offered by the CCA, however, they must sign the EAP waiver acknowledging that they are aware of the risk that they may lose a portion of their EAP benefits by purchasing commodity from an entity other than their LDC.

1. **Treatment of Participants Enrolled in Net Metering**

Provided that the requisite rate payer data is available from the LDC and provided to the Town, rate payers that are currently enrolled in the Net Metering Program (“NM”) may Opt In to any of the programs and products offered by the CCA, however, they must sign the EAP waiver acknowledging that they are aware of the risk that they may lose a portion of their NMP benefits by purchasing commodity from an entity other than their LDC.

1. **Termination of the Program**

Prior to the natural expiration of the current electricity supply agreement, the Municipality shall solicit bids for a new agreement and plans to continue the CCA with the current new electricity supplier.

Although the Municipality is not currently contemplating termination of the CCA, the CCA may be terminated upon the termination or the expiration of the current electricity supply agreement, without any renewal in place. The CCA may also be terminated by the decision of the Board of Selectmen, effective on the date of any currently active electricity supply agreement.

In the event of a termination of the CCA, all program participants will be automatically returned to default service with the LDC, unless they choose to continue with an alternative supplier of their choosing. The Municipality shall notify all residents of a planned termination through media releases, postings on the CCA webpage and social media (if available).

Further, the Municipality will notify the LDC of the planned termination at least (60) sixty days prior to the end of the current electricity supply agreement. In the event of termination, it is the responsibility of the Competitive Supplier to return the program participants to default service with the LDC in accordance with EDI rules and protocols.

**Implementation Schedule**

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\*this schedule is merely a guideline and shall not be construed as binding on this CCA. The Town reserves the right to reject Competitive Supplier RFP responses and/or to issue as many RFP’s as is necessary before a satisfactory selection can be made

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| Day | Action/Event |
| 1 | Issue RFP for Competitive Electricity Supplier to serve CCA |
| 31 | Electricity Supply Agreement executed between Municipality and Competitive Supplier |
| 32 | Competitive Supplier notifies the LDC to prepare consumer data of Municipality |
| 44 | Competitive Supplier receives customer data from LDC |
| 50 | Competitive Supplier mails Opt Out notices to all potential program participants, 30 days Opt Out period begins |
| 65 | Public Informational session is held and hosted by FEL and Municipality |
| 80 | 30 day Opt Out period closes |
| 81 | Competitive Supplier removes all rate payers that opted out from the participation list |
| 82 | Competitive Supplier begins EDI enrollments of all customers that did not return an Opt Out as well as all customers that Opted In |
| 90 | Enrollments are confirmed and service under CCA begins on next scheduled meter date |