

# Community Electricity Aggregation **PLUS**

Metropolitan Area Planning Council

15 June 2016

# MAPC Clean Energy



New York

Maine

Berkshire  
Regional  
Planning  
Commission

Franklin Regional  
Council of  
Governments

Pioneer Valley  
Planning  
Commission

Central Massachusetts  
Regional Planning  
Commission

Montachusett  
Regional Planning  
Commission

Northern Middlesex  
Council of  
Governments

Metropolitan  
Area Planning  
Council

Merrimack  
Valley Planning  
Commission

Old Colony  
Planning  
Council

Southeast Regional  
Planning & Economic  
Development District

Cape Cod  
Commission

Rhode  
Island

Marthas  
Vineyard  
Commission

Nantucket Planning &  
Economic Development  
Commission

- ▶ 101 cities and towns
- ▶ 80+ employees
- ▶ Wide range of planning services

Pembroke and Stoughton are in both MAPC and OCPC

# Aggregation Consultant: Regional Procurement

Fall 2015: MAPC issued RFP for **green**  
municipal aggregation broker

- Done on behalf of entire MAPC membership
- Named 4 communities in RFP
- C. 30B process

# Selection Committee



Data Source: MAPC, MassGIS  
March, 2015



# Aggregation Consultant: Regional Procurement

- The 3 consultants active in the state responded
- Winner:



# Aggregation Consultant: Regional Procurement

- MAPC signed agreement with Good Energy
  - Ensures equal, fair treatment
  - Reporting to MAPC
- MAPC municipalities subscribe to that agreement via 1-page form
  - Each municipality then signs its own agreement with Good Energy

# Subscription Process

- Commitment to **green** aggregation
- MAPC fee
  - 1<sup>st</sup> year of program ONLY
  - Covers MAPC time to organize procurement and administer program
  - Roughly 17 cents per household per year

# Green Aggregation

- Lots of definitions of “green”
- Our definition: **add** renewable energy to the New England grid and thereby reduce emissions
  - There has to be evidence that your actions are having an impact!



# Green Solution: MA Class I RECs

- Comes from **new** renewable energy sources located on the Northeast grid
- Revenue from the sale of MA Class I RECs are **necessary** to finance a project in this region
- Generally not the case for:
  - Texas wind projects
  - Existing (“old”) New England renewables, like hydro

# How Much?

## 5% MA Class I RECs in Default Rate

**11%**

Minimum MA Class I % in all electricity supplies in the state. Increases 1% annually.

**16%**

Total MA Class I % in electricity supply of participating MAPC communities

# Why 5%?

- MA Class I RECs cost **significantly** more than other types of RECs
- Cost reflects the
  - Higher cost of development in the region and
  - The **necessity** of MA Class I RECs for project financing

# Why 5% in the Default Rate?

Your buying power is in the default rate - evidence has shown that almost **everyone** stays with the default rate

## Melrose & Dedham

- 4-9% of accounts opt-out of program completely
- Of those that stayed in the aggregation
  - 99% stayed on the default “5% extra green” product
  - <1% chose an optional “100% green” product
  - <1% chose an optional “no green” product

# In Conclusion

## At 5% extra MA Class I RECs in the default rate, the Aggregation

- Achieves a massive purchase of RECs that, if maintained, is highly likely to add **new** generation to the Northeast grid
- Has a minor impact on individual bills, so it maintains financial benefits of aggregation

# Community Electricity Aggregation **PLUS**

Thanks!