

# The Inquirer and Mirror

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## Town switching electricity supplier for all rate-payers

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### New provider's price currently cheaper than National Grid

By The Inquirer and Mirror

(March 6, 2017) The town this month launched the Nantucket *PowerChoice* program with the goal of providing electricity customers on the island with cost savings and new choices in their electricity supply. Nantucket *PowerChoice* is a municipal electricity aggregation, a form of group purchasing in which a town procures an electricity supplier on behalf of its residents and businesses.

Through a competitive bidding process, the town has selected and signed a 12-month contract with Agera Energy to supply electricity to the community for 9.03 cents per kilowatt/hour, which is less than National Grid's basic-service price of 9.78 cents/kWh at program launch. With this program, the source of the island's electricity supply will change, but National Grid will remain Nantucket's electric utility company and will continue to deliver electricity, fix power outages, provide customer service and handling billing.

Six companies were in the bidding process, and Agera provided the best rates and contracts, town energy coordinator Lauren Sinatra said.

The program will offer two new, vetted choices for electricity supply:

– **PowerChoice Standard**, the default plan, provides a fixed, stable price of 9.03 cents/kWh for all rate classes, including residential, commercial and industrial. PowerChoice Standard offers the lowest price within the program and meets the minimum state renewable-energy requirements.

– **PowerChoice Green** is an upgradable option that provides 100 percent green energy, primarily from regional and national wind projects, for a fixed, stable price of 9.576 cents/kWh for all rate classes, including residential, commercial and industrial. Thirty-two percent of that power will be coming from New England wind projects, said Marlana Patton, a spokeswoman with the Peregrine Energy Group, the consulting firm hired by the town. This price is also less than National Grid's current price.

All Nantucket customers on National Grid's basic service will be automatically enrolled in PowerChoice Standard at program launch, although participants may upgrade to PowerChoice Green if they choose. Those who do not wish to participate in Nantucket PowerChoice will have the freedom to entirely opt out of the program before it launches or at any time afterward with no penalty. Those who opt out will be switched back to National Grid's basic service.

"Historically, Nantucket has been served by a limited number of electricity suppliers, and quite often I would hear from distressed residents who fell victim to costly 'bait and switch' variable-rate plans, scams and other deceptive enrollment tactics by aggressive suppliers. We launched Nantucket PowerChoice to provide the benefits of price stability, cost savings, strong customer protections and expanded supplier choice to our community," Sinatra said. "Not only does the program offer our local community two new, vetted alternatives to National Grid's basic service, but it also offers participants the ability to increase the amount of renewable energy in their electricity supply easily and cost effectively."

While Nantucket PowerChoice will provide savings at the time of program launch, it offers a predictable 12-month price designed to eliminate seasonal price volatility. Since National Grid residential and commercial prices change twice a year or more, depending on rate class, the fixed program rate may not always be below the National Grid basic service price. The program goal, however, is to deliver annual savings when compared against National Grid's average basic service prices across all 12 months of the new supply contract.

National Grid spokesman Robert Kievra wrote in an e-mail that the utility company will

commit the same level of service to all customers no matter which supplier they choose.

"National Grid doesn't take a position on competitive supply, whether individually or through municipal aggregation," he wrote. "We encourage customers to consider all available energy supply options and determine which one best meets their needs.

"We encourage customers to read the fine print and understand the terms of their power supply contract, including whether prices are fixed or subject to change and whether there are any early termination fees," he wrote.

Municipal Aggregation was unanimously approved in Article 104 at the 2016 Annual Town Meeting as a way to help the community save money and protect against dramatic seasonal rate swings that have been difficult to predict and challenging for many to manage. Since then, the Nantucket PowerChoice aggregation program has been developed under the guidance of an internal evaluation committee appointed by town manager Libby Gibson, with the support of the Board of Selectmen.

The program will be managed by Peregrine Energy and overseen by Gibson, Sinatra said.

For more information about the program, visit [www.masspowerchoice.com/nantucket](http://www.masspowerchoice.com/nantucket), contact Sinatra at (508) 325-5379 or [Lsinatra@nantucket-ma.gov](mailto:Lsinatra@nantucket-ma.gov), or the customer-support team at Peregrine Energy Group, the town's program consultants, at (844) 241-8598 or [nantucket@masspowerchoice.com](mailto:nantucket@masspowerchoice.com).

