

# CITY OF MARLBOROUGH MEETING POSTING

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CITY CLERK'S OFFICE  
CITY OF MARLBOROUGH

Meeting Name: Municipal Aggregation Committee

Date: March 23, 2023

2023 MAR 20 PM 4:34

Time: 4:00 PM

Location: City Hall, 140 Main Street, Mayor's Conference Room, 4<sup>th</sup> Floor

## **Agenda Items to be addressed:**

The next meeting of the Municipal Aggregation Committee will be Thursday March 23, 2023 at 4 PM in the Mayor's conference room.

1. VOTE: Approve October 4, 2022 minutes – M. Ossing
2. Council Update – Review council agenda items regarding municipal aggregation – M. Ossing
  - October 17, 2022 - Council agenda item #13e – October 4, 2022 Municipal Aggregation Meeting Minutes
  - January 9, 2023 – Council agenda item #4 – December 2022 update to the City Council
  - March 27, 2023 – Council agenda item #TBD – March 2023 update to the City Council
3. Review letter to the City Council regarding the fourth quarter 2022 residential savings – M. Ossing
4. Review savings with Inspire Energy for Calendar year 2022 – M. Ossing
5. Review NGRID 2023 summer rates – Colonial Power
6. Review projected 2023 savings - M. Ossing
7. Discuss projected forecast of NGrid rates - Colonial Power
8. Discuss indicative pricing for future contracts - Colonial Power
9. Miscellaneous – M. Ossing
  - November NH trade show
  - MMA January trade show
  - DOER draft "Municipal Aggregation Manual and Best Practices Guide" document – November 15, 2022
  - UMass report "Community Choice Electricity Programs – A Survey of Massachusetts Municipalities" dated February 6, 2023
  - Marlboro Municipal Aggregation website updates
10. Status of Municipal Aggregation contract with Colonial Power – M. Ossing
11. Next Meeting – October 2023

THE LISTING OF TOPICS THAT THE CHAIR REASONABLY ANTICIPATES WILL BE DISCUSSED AT THE MEETING IS NOT INTENDED AS A GUARANTEE OF THE TOPICS THAT WILL HAVE BEEN DISCUSSED. NOT ALL TOPICS LISTED MAY IN FACT BE DISCUSSED, AND OTHER TOPICS NOT LISTED MAY ALSO BE BROUGHT UP FOR DISCUSSION TO THE EXTENT PERMITTED BY LAW.

## Ad-Hoc Municipal Aggregation Committee

### Meeting Minutes – October 4, 2022

The Ad-Hoc Municipal Aggregation Committee met on October 4, 2022, from 1:00 PM to 1:30 PM in the Mayor's Conference room. The following individuals were in attendance:

Ad-Hoc Municipal Committee members:

- Chairman M. Ossing, Mayor Vigeant, K. Holmi and DPW Commissioner S. Divoll.
- Members Absent: Councilor L. Wagner

Representing Colonial Power:

- M. Cappadona, D. Allard and S. Ormsbee

The following items were discussed:

- 1. Minutes of the March 22, 2022, Ad-Hoc Municipal Aggregation Committee meeting:**
  - The Committee approved the March 22, 2022, minutes with a 4 – 0 vote.
- 2. Council Update – in accordance with Council Order 19-1007578 item 4:**
  - a. March 28, 2022 Council agenda item #14c – March 22, 2022 Municipal Aggregation minutes
  - b. June 27, 2022 Council agenda item #3 – June 2022 update to the City Council
  - c. October 3, 2022 Council agenda item #5 – September 2022 update to the City Council
- 3. Review letter to the City Council regarding the second quarter residential savings:**
  - The Chair reviewed the October 3, 2022 letter to the City Council that identified the savings of over \$579,000 for the residents participating in the City's energy aggregation program from April to June 2022.
- 4. Review National Grid (NGrid) winter 2022/2023 electric rates:**
  - The Chair reviewed the recently issued NGrid winter rates which will be set close to 0.33891 \$/kilowatt hour (kWh) for the November 2022 to April 2023 winter season. This is a significant increase from the NGrid summer rate of 0.11491 \$/kW-hr.
  - Using the residential electricity usage from November 2021 to April 2022, City program participants' projected winter savings will be in excess of \$9,900,000 (See Attachment 1).
  - The average homeowner using 600 kW saves \$147.01 per month or over \$882 during the six month winter period.
- 5. Review savings with Inspire Energy through June 2022 and projected savings in 2022:**
  - The Chair reviewed the information in Attachment 2 that provided the savings from the Inspire contract since inception in 2019, the projected 2022 savings and the total program savings since 2007.
  - The 2022 residential projected savings are anticipated to be more than \$5,700,000.
  - The total residential savings from the Inspire contract (November 2019 to June 2022) is over \$5,562,000.
- 6. Discuss latest forecast of NGrid rates:**
  - Colonial Power provided Attachment 3 that illustrates the projected NGrid basic service rates through October 2025. The graph illustrates that the current Inspire contract (that

runs through January 2024) rates will be less than the NGrid projected rates. This will result in savings to the residential electricity users in the program.

- Items worth noting on the graph include the significant increase in rates for the winter 2022 (a 3-fold increase from the summer 2022 rate).

**7. Indicative Pricing for potential contract extension**

- The committee discussed the potential challenges with extending the current contract when it expires in January 2024. The current world events (war in Ukraine and Russian fuel stoppages) are contributing to increased rates for electricity. It was acknowledged that the program will not be able to secure rates similar to the 0.09390 \$/kW-hr.
- The Committee discussed blending and extending option for the current contract as well as obtaining indicative pricing if the City were to go out to bid now.
- Colonial Power provided indicative pricing obtained to blend and extend the current contract. The blend and extend option would start in May 2023 with various term lengths. The request was to maintain the 100% green option (Wind RECs). The pricing obtained is below

Start Term	End Term	Term Length	Rate
5/1/23	10/31/23	6	No bid
5/1/23	4/30/24	12	0.17590
5/1/23	10/31/24	18	0.15790
5/1/23	4/30/25	24	0.17090
5/1/23	10/31/25	30	0.15890
5/1/23	4/30/26	36	0.16490

- The Committee noted that the blend and extend rates would be almost double the current Inspire rate of 0.09390 \$/kW-hr.
- The 36 month extension rate of 0.16490 is just slightly below the projected 3 year average for NGrid shown in Attachment 3 as 0.16580.
- The Committee agreed that the blend and extend option at this time was not favorable.
- The Committee was shown indicative pricing from four suppliers that would start in January 2024 (when the current contract expires) and then for various term lengths ranging from 6 months to 36 months. See Attachment 4. Suppliers were asked to provide pricing for the standard retail supply that meets the minimum MA requirement for renewable energy (56%) and pricing for 100% renewable (similar to the current contract with Inspire).
- The lowest price for a 36 month contract was 0.15155 (56% minimum renewable) and 0.15349 (100% renewable). Both options are slightly less than the projected 3 year average for NGrid shown in Attachment 3 as 0.16580.
- The Committee acknowledged that these rates would be lower than the projected winter rates but higher than the summer rates during the 36 month period.
- The Committee discussed the current energy market and concluded the timing is not beneficial to go out for bids on extending the contract or obtaining a new contract. Colonial Power will continue to monitor market conditions and inform the Committee should the market conditions change to benefit the residents of Marlboro.

- The Committee acknowledged that a decision will be required in 2023 in order to have a contact in place beyond January 2024.

**8. Next meeting:**

- The next meeting will be in March 2023 after National Grid releases their summer 2023 basic service rates.

**Attachment 1: Projected Savings During Winter 2022-23 (1 page)**

**Attachment 2: Actual Savings with Inspire (November 2019 – December 2021), Projected 2022 Savings and Total Program Savings since Inception (3 pages)**

**Attachment 3: September 27, 2022 graph illustrating the projected NGrid residential basic service rates through October 2025 (one page)**

**Attachment 4: Indicative Pricing from Suppliers for the January 2024 to December 2026 (one page)**

## Attachment 1

## Projected Savings During Winter 2022-23

<b>Date</b>	<b>NGrid Basic Service Rate (\$/kWh)</b>	<b>City Rate (\$/kWh)</b>	<b>City Residential Electricity Usage NOTE 1 (kW)</b>	<b>City Residential User Savings NOTE 1</b>	<b>Actual Savings</b>
<b>Nov 2022</b>	0.33891	0.09390	6,251,569	\$1,531,697	
<b>Dec 2022</b>	0.33891	0.09390	8,820,151	\$2,161,025	
<b>Jan 2023</b>	0.33891	0.09390	7,382,364	\$1,808,753	
<b>Feb 2023</b>	0.33891	0.09390	7,237,791	\$1,773,331	
<b>Mar 2023</b>	0.33891	0.09390	5,641,294	\$1,382,173	
<b>Apr 2023</b>	0.33891	0.09390	5,339,798	\$1,308,304	
<b>Total Savings</b>				\$9,965,283	

**NOTE 1: Electricity Usage based on November 2021 to April 2022 residential usage values. Actual savings will vary.**

**The average homeowner uses 600 kW per month.**

- **Inspire rate (0.09390) results in \$56.34 per month**
- **NGrid winter rate (0.33891) results in \$203.35 per month**
- **Average homeowner using 600 kW saves \$147.01 per month or over \$882 during the six month period**

## Attachment 2 (page 1 of 4)

Table Showing Residential Savings with Inspire

<b>Date</b>	<b>NGrid Basic Service Rate (\$/kWh)</b>	<b>City Rate (\$/kWh)</b>	<b>City Residential User Savings</b>	<b>City Residential Commercial Industrial Savings</b>
<b>Fourth Quarter 2019</b>	Nov - .13957 Dec - .13957	Nov - .09690 Dec - .09690	\$550,815	\$693,006
<b>First Quarter 2020</b>	Jan - Mar .13957	Jan - Mar .09690	\$812,433	\$1,034,746
<b>Second Quarter 2020</b>	Apr - .13957 May - .09898 Jun - .09898	Apr - Jun .09690	\$250,320	\$196,841
<b>Third Quarter 2020</b>	Jul - Sept .09898	Jul - .09690 Aug - .09390 Sept - .09390	\$78,989	(-\$148,635)*
<b>Fourth Quarter 2020</b>	Oct - .09898 Nov - .12388 Dec - .12388	Oct - Dec .09390	\$482,513	\$564,251
<b>First Quarter 2021</b>	Jan - Mar .12388	Jan - Mar .09390	\$624,406	\$762,385
<b>Second Quarter 2021</b>	Apr - .12388 May - .09707 Jun - .09707	Apr - Jun .09390	\$187,609	\$129,809
<b>Third Quarter 2021</b>	Jul - Sept .09707	Jul - Sept .09390	\$64,802	(-\$60,875)*
<b>Fourth Quarter 2021</b>	Oct - .09707 Nov - .14821 Dec - .14821	Oct - Dec .09390	\$835,669	\$1,444,333
<b>First Quarter 2022</b>	Jan - Mar .14821	Jan - Mar .09390	\$1,100,399	\$1,806,031
<b>Second Quarter 2022</b>	Apr - .14821 May - .11491 Jun - .11491	Apr - Jun .09390	\$579,546	\$870,124
<b>Third Quarter 2022</b>	Jul - Sept .11491	Jul - Sept .09390	TBD	TBD

**Attachment 2 (page 2 of 4)**

- \*National Grid sets different rate for commercial/industrial users that are not associated with the National Grid residential fixed Basic Service rate.
- Total residential savings from Inspire (November 2019 to December 2021) is over **\$5,562,000**.
- Total program savings (all rate classes) since inception in 2007 is over **\$11,206,000**.

## Attachment 2 (page 3 of 4)

**Projected Savings from the Inspire Contract for 2022**  
**This is based on the NGrid projected summer rate of 0.11233**  
**This is for illustration purposes only.**

<b>Date</b>	<b>NGrid Basic Service Rate (\$/kWh)</b>	<b>City Rate (\$/kWh)</b>	<b>City Residential Electricity Usage NOTE 1 (kW)</b>	<b>City Residential User Savings NOTE 1</b>	<b>Actual Savings</b>
<b>First Quarter 2022</b>	Jan - Mar 0.14821	Jan - Mar 0.09390	Jan - 8,824,616 Feb - 6,604,171 Mar - 5,394,955	\$1,130,938	\$1,100,399
<b>Second Quarter 2022</b>	Apr - 0.14821 May - 0.11233 Jun - 0.11233	Apr - Jun 0.09390	Apr - 4,684,442 May - 7,213,373 Jun - 7,627,588	\$527,931	\$579,546
<b>Third Quarter 2022</b>	Jul - Sept 0.11233	Jul - Sept 0.09390	Jul - 8,007,876 Aug - 7,316,621 Sept - 5,096,892	\$376,367	TBD
<b>Fourth Quarter 2022</b>	Oct - 0.11233 Nov - 0.33891 Dec - 0.33891	Oct - Dec 0.09390	Oct - 5,285,951 Nov - 6,222,442 Dec - 8,733,611	\$3,761,803	TBD
<b>Total Savings</b>				\$5,797,039 (Jan est \$3,270,812)	

**NOTE 1: Electricity Usage based on 2021 residential usage values. Actual savings will vary.**

**Insights:**

- The first 3 quarters in 2022 are projected to save \$2,035,236.
- The fourth quarter in 2022 is projected to save \$1,235,576 (NOTE: the 0.1700 rate is an estimate)
- The 2022 projected savings are over \$5.7 million (January 2022 estimate was \$3.2 million - used a winter 2022 estimate of 0.17 which was low) - (the 2021 actual residential savings were \$1.7 million)
- The Inspire contract continues to save residents money over NGrid basic service rates.
- Continue to meet Council Order for savings over NGrid



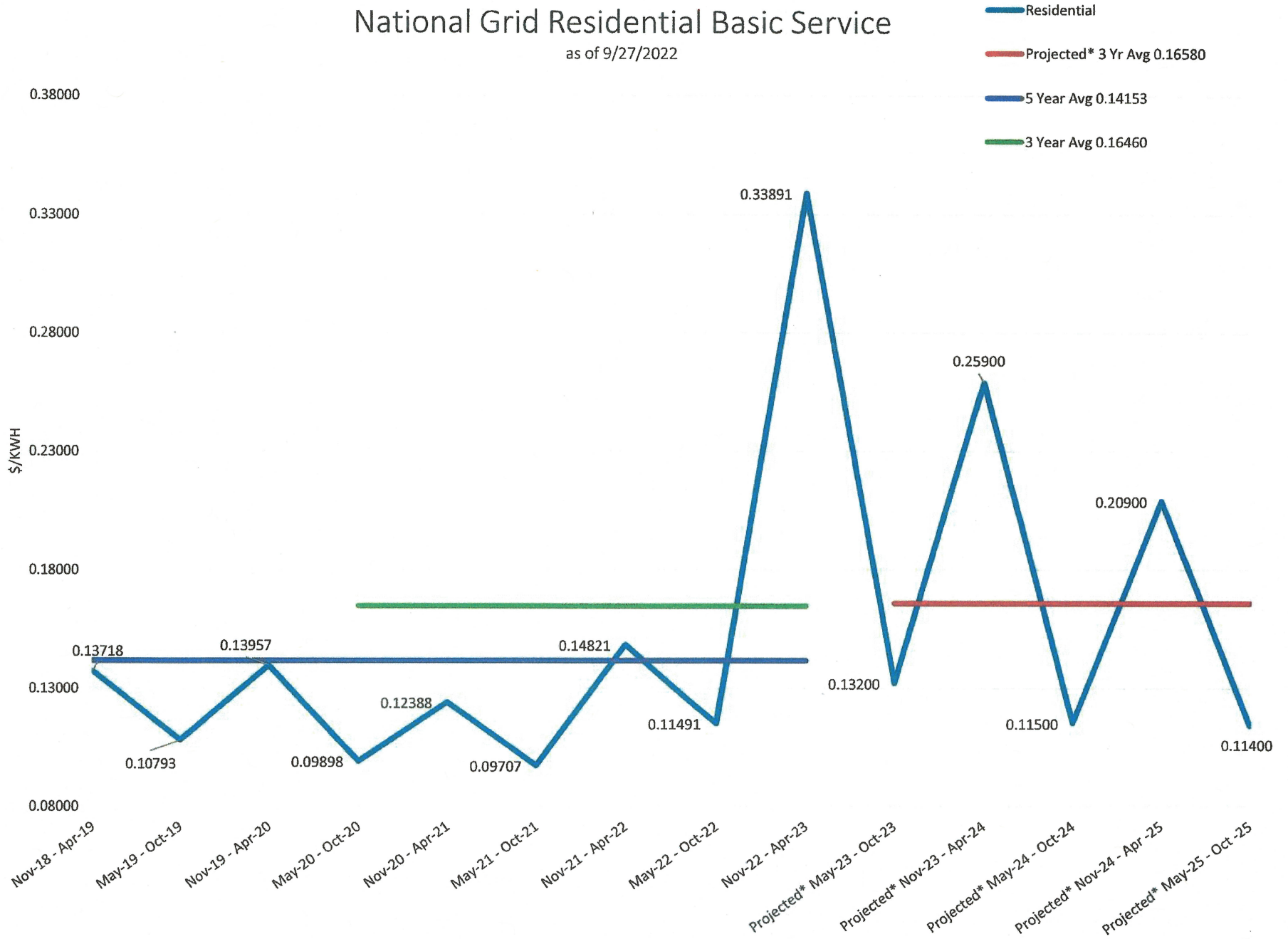
## Attachment 2 (page 4 of 4)

## Total Program Savings Since Inception – All Rate Classes

<b>Year</b>	<b>Savings (Losses)</b>
<b>2022</b>	<b>TBD</b>
<b>2021</b>	<b>\$2,245,278</b>
<b>2020</b>	<b>\$1,639,421</b>
<b>2019</b>	<b>\$951,986</b>
<b>2018</b>	<b>\$621,280</b>
<b>2017</b>	<b>\$272,419</b>
<b>2016</b>	<b>\$916,539</b>
<b>2015</b>	<b>(\$684,889)</b>
<b>2014</b>	<b>\$1,790,918</b>
<b>2013</b>	<b>Program Suspended</b>
<b>2012</b>	<b>(\$927,288)</b>
<b>2011</b>	<b>\$128,208</b>
<b>2010</b>	<b>\$294,185</b>
<b>2009</b>	<b>\$499,287</b>
<b>2007 – 2008</b>	<b>\$805,263</b>
<b>TOTAL Savings</b>	<b>\$8,552,607</b>

# National Grid Residential Basic Service

as of 9/27/2022



\*Per Colonial Power Group

CITY OF MARLBOROUGH  
 ALL-REQUIREMENTS RETAIL POWER SUPPLY PRICING MATRIX  
 COMBINED RATE COMPARISON

START TERM	END TERM	TERM LENGTH	FIXED PRICE				PROJECTED
			SUPPLIER #1	SUPPLIER #2	SUPPLIER #3	SUPPLIER #4	BASIC SERVICE
							11/1/23-4/30/24 NGRID/WCMA
<b>STANDARD RETAIL ELECTRIC SUPPLY - Meets MA Requirement [56% for 2024; steps up each year]</b>							<b>0.25900</b>
1/1/2024	6/30/2024	6	0.17843	0.19300	0.20662	No Bid	
1/1/2024	6/30/2024	6	0.17843	No Bid	0.20662	No Bid	
7/1/2024	12/31/2024	6	0.14838	No Bid	0.14765	No Bid	
1/1/2024	12/31/2024	12	0.16355	0.17630	0.17756	No Bid	
1/1/2024	6/30/2025	18	0.15942	0.17260	0.17911	No Bid	
1/1/2024	12/31/2025	24	0.15373	0.16520	0.16791	No Bid	
1/1/2024	6/30/2026	30	0.15321	No Bid	0.16933	No Bid	
1/1/2024	12/31/2026	36	0.15155	No Bid	0.16379	No Bid	
<b>RETAIL SUPPLY THROUGH PURCHASE OF NATIONAL WIND RECS - MA Requirement + 44% [56% + 44% VREC = 100% for 2024]</b>							
1/1/2024	6/30/2024	6	0.18037	0.19471	0.20812	0.19190	
1/1/2024	6/30/2024	6	0.18037	No Bid	0.20812	No Bid	
7/1/2024	12/31/2024	6	0.15032	No Bid	0.14926	No Bid	
1/1/2024	12/31/2024	12	0.16549	0.17801	0.17911	0.16890	
1/1/2024	6/30/2025	18	0.16135	0.17432	0.18074	0.17390	
1/1/2024	12/31/2025	24	0.15567	0.16692	0.16959	0.16290	
1/1/2024	6/30/2026	30	0.15516	No Bid	0.17103	0.16590	
1/1/2024	12/31/2026	36	0.15349	No Bid	0.16551	0.15890	



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2023 MAR 16 AM 8:52

***Marlborough City Council***  
***Laura J. Wagner***  
***Michael H. Ossing***  
140 Main Street  
Marlborough, Massachusetts 01752  
(508) 460-3711 TDD (508) 460-3610

March 16, 2023

Honorable Members  
Marlborough City Council  
City Hall  
Marlborough, MA 01752

Re: Municipal Aggregation – March 2023 Update

Dear Honorable Members:

In accordance with Order No.19-1007578B, this correspondence informs the City Council of the fourth quarter 2022 savings from the approved fixed price contract with Inspire that will provide stability and predictability and on a yearly average be lower than the National Grid Fixed Basic Service Rates during the same period. The contract with Inspire runs through the January 2024 meter reads.

Colonial Power has compiled the fourth quarter 2022 data and the City residents saved \$3,864,041 in their electricity bills compared to the National Grid Basic Service rate. Refer to the table in Attachment 1 and the graph in Attachment 2.

As a reminder, the City contract with Inspire is 100% National Wind Renewable Energy Credits (RECs). The savings are even greater when compared to the National Grid Green options.

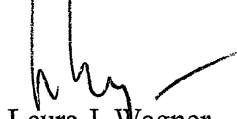
Looking ahead to the first quarter 2023, the City rate is lower than the National Grid Winter Basic Service rate of 0.33891 \$/kWh. This is significant as the City residents will continue to see savings over the National Grid Basic Service rate and the requirements in order 19-1007578B will be satisfied by “on a yearly average be lower than the National Grid Basic Service rates during the same time period.”

City Councilors as well as participants in the Municipal Aggregation program should be aware that it is unlikely the new contract in 2024 will have rates as low as the current 0.09390 \$/kWh. The Municipal Aggregation Committee is working with the Colonial Power Group to monitor market conditions and obtain new rates.

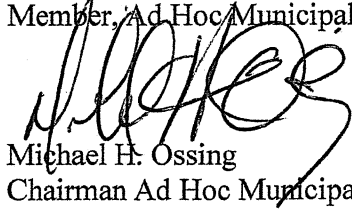
This information will be updated periodically and forwarded to the Councilors in accordance with Order 19-1007578B.

As Councilors, you can take pride in your decision to support Municipal Aggregation as we are saving our residents money on their electricity bills. Since November 2019, City residents have saved over \$9,880,000 on their electric bills with Inspire.

Sincerely,



Laura J. Wagner  
Member, Ad Hoc Municipal Aggregation Committee



Michael H. Ossing  
Chairman Ad Hoc Municipal Aggregation Committee

Attachment 1: Table showing Residential Savings with Inspire (2 pages)

Attachment 2: 4th quarter 2022 status report – Graph illustrating Marlboro aggregation savings

## Attachment 1 (Page 1 of 2)

Table Showing Residential Savings with Inspire

<b>Date</b>	<b>NGrid Basic Service Rate (\$/kW-hr)</b>	<b>City Rate (\$/kW-hr)</b>	<b>City Residential User Savings</b>	<b>City Residential Commercial Industrial Savings</b>
<b>Fourth Quarter 2019</b>	Nov - .13957 Dec - .13957	Nov - .09690 Dec - .09690	\$550,815	\$693,006
<b>First Quarter 2020</b>	Jan - Mar .13957	Jan - Mar .09690	\$812,433	\$1,034,746
<b>Second Quarter 2020</b>	Apr - .13957 May - .09898 Jun - .09898	Apr - Jun .09690	\$250,320	\$196,841
<b>Third Quarter 2020</b>	Jul - Sept .09898	Jul - .09690 Aug - .09390 Sept - .09390	\$78,989	(-\$148,635)*
<b>Fourth Quarter 2020</b>	Oct - .09898 Nov - .12388 Dec - .12388	Oct - Dec .09390	\$482,513	\$564,251
<b>First Quarter 2021</b>	Jan - Mar .12388	Jan - Mar .09390	\$624,406	\$762,385
<b>Second Quarter 2021</b>	Apr - .12388 May - .09707 Jun - .09707	Apr - Jun .09390	\$187,609	\$129,809
<b>Third Quarter 2021</b>	Jul - Sept .09707	Jul - Sept .09390	\$64,802	(-\$60,875)*
<b>Fourth Quarter 2021</b>	Oct - .09707 Nov - .14821 Dec - .14821	Oct - Dec .09390	\$835,904	\$1,445,446
<b>First Quarter 2022</b>	Jan - Mar .14821	Jan - Mar .09390	\$1,101,048	\$1,817,853
<b>Second Quarter 2022</b>	Apr - .14821 May - .11491 Jun - .11491	Apr - Jun .09390	\$580,099	\$874,670
<b>Third Quarter 2022</b>	Jul - Sept .11491	Jul - Sept .09390	\$454,869	\$1,117,610
<b>Fourth Quarter 2022</b>	Oct - .11491 Nov - .33891 Dec - .33891	Oct - Dec .09390	\$3,864,041	\$6,272,461

## Attachment 1 (page 2 of 2)

Table Showing Residential Savings with Inspire

Date	NGrid Basic Service Rate (\$/kW-hr)	City Rate (\$/kW-hr)	City Residential User Savings	City Residential Commercial Industrial Savings
<b>First Quarter 2023</b>	Jan – Mar 0.33891	Jan – Mar .09390	TBD	TBD
<b>Second Quarter 2023</b>	Apr – 0.33891 May – TBD Jun – TBD	Apr – Jun .09390		
<b>Third Quarter 2023</b>		Jul – Sept .09390		
<b>Fourth Quarter 2023</b>		Oct – Dec .09390		
<b>First Quarter 2024</b>		Jan - .09390		

- \*National Grid sets different rate for commercial/industrial users that are not associated with the National Grid residential fixed Basic Service rate.
- Total residential savings from Inspire (November 2019 to December 2022) is over **\$9,880,000.**
- Total program savings (all rate classes) since inception in 2007 is over **\$18,551,000.**

**CITY OF MARLBOROUGH COMMUNITY CHOICE POWER SUPPLY PROGRAM STATUS REPORT Q4 2022** **ATTACHMENT #2**

*Prepared March 2023*

This report has been prepared by Colonial Power Group with information/data being provided by the Competitive Supplier and National Grid. The purpose of the report is to provide information about the City of Marlborough's Community Choice Power Supply Program, which currently provides competitive power supply to approximately 13,000 customers in the City. The data provided by the Competitive Supplier is not available until three months after the month it is used. For example, power is *Used* in January, *Invoiced* in February, *Paid* in March and *Reported* in April.

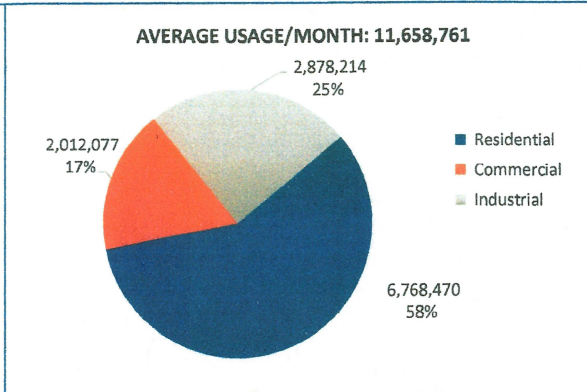
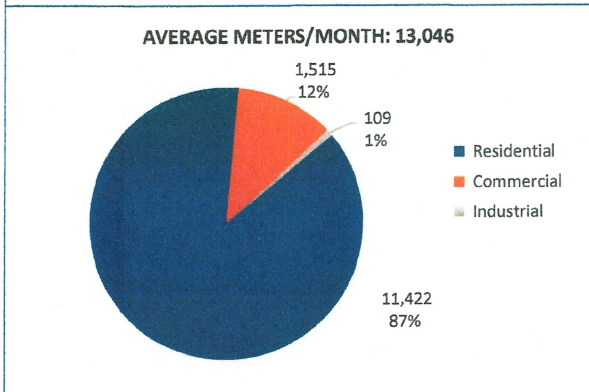
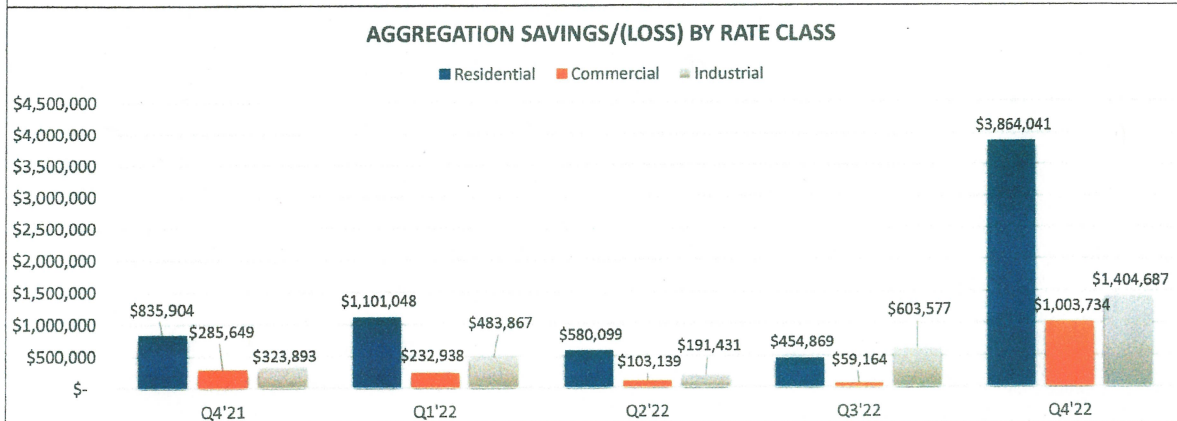
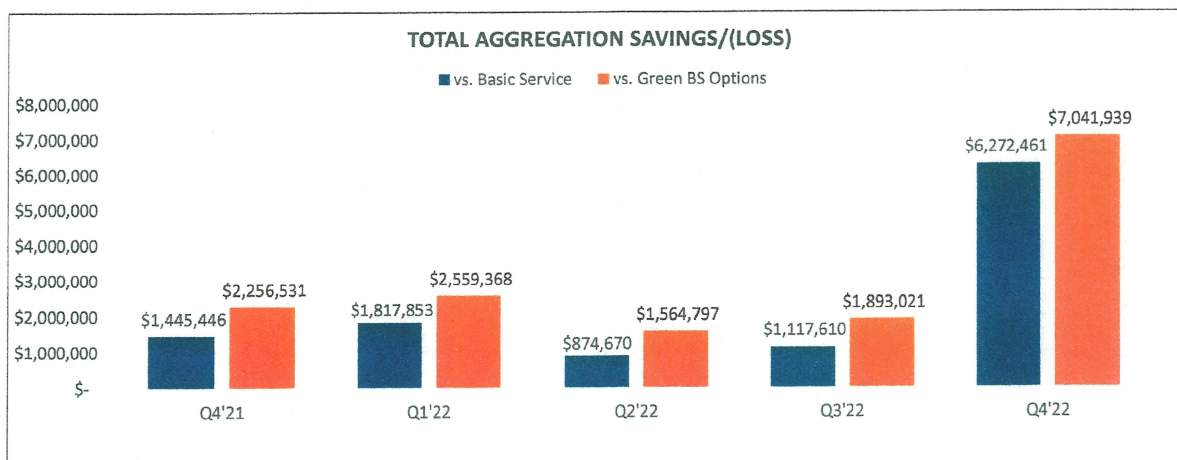
[Click here for more information about the Program](#)

PROGRAM RATES		
Term	November 2019 - August 2020	August 2020 - January 2024
Competitive Supplier	Inspire	Inspire
Standard (default)	\$0.09690 / kWh 100% National Wind RECs	\$0.09390 / kWh 100% National Wind RECs
Optional	N/A	N/A

**COMPARISON TO NATIONAL GRID RATES**

[Click here for NGRID GreenUp Info](#)

The City's aggregation savings are directly tied to the margin of savings between the Program's rates and National Grid's corresponding Basic Service rates as well as the level of consumption by participating consumers. Basic Service rates change twice a year or more, depending on utility and rate class. As a result, the aggregation rate may not always be lower than the Basic Service rate. The goal of the aggregation is to deliver savings over the life of the Program against the Basic Service rate. However, such savings and future savings cannot be guaranteed.





### Actual Savings with Inspire for 2022

<b>Date</b>	<b>NGrid Basic Service Rate (\$/kWh)</b>	<b>City Rate (\$/kWh)</b>	<b>City Residential Electricity Usage (kW)</b>	<b>City Residential User Savings</b>
<b>First Quarter 2022</b>	Jan - Mar 0.14821	Jan - Mar 0.09390	Jan - 7,385,820 Feb - 7,242,825 Mar - 5,644,740	\$1,101,047
<b>Second Quarter 2022</b>	Apr - 0.14821 May - 0.11491 Jun - 0.11491	Apr - Jun 0.09390	Apr - 5,342,538 May - 6,515,540 Jun - 7,284,853	\$580,100
<b>Third Quarter 2022</b>	Jul - Sept 0.11491	Jul - Sept 0.09390	Jul - 9,683,623 Aug - 7,136,101 Sept - 4,830,393	\$454,869
<b>Fourth Quarter 2022</b>	Oct - 0.11491 Nov - 0.33891 Dec - 0.33891	Oct - Dec 0.09390	Oct - 4,959,767 Nov - 7,150,486 Dec - 8,195,157	\$3,864,041
<b>Total Savings</b>				\$6,000,057

#### Insights:

- Initial estimated savings in January 2022 was \$3,270,812
- Revised estimated savings in October 2022 was \$5,797,039
- Actual Residential Savings for 2022- \$6,000,057
- Actual Savings - all classes in 2022 - \$10,082,594

**Total Program Savings Since Inception – All Rate Classes**

<b>Year</b>	<b>Savings (Losses)</b>
<b>2022</b>	<b>\$10,082,594</b>
<b>2021</b>	<b>\$2,245,278</b>
<b>2020</b>	<b>\$1,639,421</b>
<b>2019</b>	<b>\$951,986</b>
<b>2018</b>	<b>\$621,280</b>
<b>2017</b>	<b>\$272,419</b>
<b>2016</b>	<b>\$916,539</b>
<b>2015</b>	<b>(\$684,889)</b>
<b>2014</b>	<b>\$1,790,918</b>
<b>2013</b>	<b>Program Suspended</b>
<b>2012</b>	<b>(\$927,288)</b>
<b>2011</b>	<b>\$128,208</b>
<b>2010</b>	<b>\$294,185</b>
<b>2009</b>	<b>\$499,287</b>
<b>2007 – 2008</b>	<b>\$805,263</b>
<b>TOTAL Savings</b>	<b>\$18,635,201</b>

Massachusetts Electric Company  
 Nantucket Electric Company  
 d/b/a National Grid  
 D.P.U. 23-BSF-D1  
 Explanatory Statement  
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 H.O. Julianne Desmet

## Explanatory Statement

### II. SUMMARY OF BASIC SERVICE RATES

The Company's proposed fixed Basic Service rates for the periods May 1, 2023 through October 31, 2023 for the residential and commercial customer groups and May 1, 2023 through July 31, 2023 for the industrial customer group, including currently effective BSACFs and SGCCAFs, are set forth below. The Company has also proposed changes to its BSACFs effective May 1, 2023 and therefore is also providing Basic Service rates reflecting the BSACFs proposed for effect May 1, 2023.

	<u>Proposed Fixed Basic Service Rates</u>	
	<u>Including Currently Effective BSACFs and SGCCAFs</u>	<u>Including Proposed BSACFs and Current SGCCAFs</u>
Residential	13.822¢	14.115¢
Commercial	13.124¢	13.393¢
Industrial NEMA	13.234¢	13.338¢
Industrial SEMA	12.796¢	12.900¢
Industrial WCMA	12.836¢	12.940¢

### III. COMPETITIVE PROCUREMENT PROCESS

Pursuant to the Department's parameters for Basic Service procurement set forth in the Department's orders in D.T.E. 99-60 and D.T.E. 02-40, National Grid issued an RFP on February 3, 2023 to supply National Grid's Basic Service needs. For the residential and commercial customer groups, this RFP solicited 50 percent of National Grid's Basic Service supply needs for the period May 2023 through October 2023 and 50 percent of National Grid's Basic Service supply needs for the period November 2023 through April 2024. For the industrial customer group, this RFP solicited National Grid's entire Basic Service supply needs for the period May 2023 through July 2023. Bidders were required to provide Zone-specific bids for load blocks in each of the three Zones in which National Grid provides Basic Service. This RFP solicitation is consistent with past RFPs performed by National Grid.

### IV. COSTS ASSOCIATED WITH THE RENEWABLE ENERGY PORTFOLIO STANDARD – CLASS I, RENEWABLE ENERGY PORTFOLIO STANDARD – CLASS II, ALTERNATIVE ENERGY PORTFOLIO STANDARD, CLEAN ENERGY STANDARD, AND CLEAN PEAK ENERGY PORTFOLIO STANDARD

**Projected Savings from the Inspire Contract for 2023**  
**This is based on the NGrid projected summer rate of 0.14115**  
**This is for illustration purposes only.**

<b>Date</b>	<b>NGrid Basic Service Rate (\$/kW-hr)</b>	<b>City Rate (\$/kW-hr)</b>	<b>City Residential Electricity Usage NOTE 1 (kW)</b>	<b>City Residential User Savings NOTE 1</b>	<b>Actual Savings</b>
<b>First Quarter 2023</b>	Jan - Mar 0.33891	Jan – Mar 0.09390	Jan – 7,385,820 Feb – 7,242,825 Mar – 5,644,740	\$4,967,182	TBD
<b>Second Quarter 2023</b>	Apr – 0.33891 May – 0.14115 Jun – 0.14115	Apr – Jun 0.09390	Apr – 5,342,538 May – 6,515,540 Jun – 7,284,853	\$1,961,044	TBD
<b>Third Quarter 2023</b>	Jul – Sept 0.14115	Jul – Sept 0.09390	Jul – 9,683,623 Aug – 7,136,101 Sept – 4,830,393	\$1,022,968	TBD
<b>Fourth Quarter 2023</b>	Oct – 0.14115 Nov – 0.19000 Dec – 0.19000	Oct – Dec 0.09390	Oct – 4,959,767 Nov – 7,150,486 Dec – 8,195,157	\$1,709,065	TBD
<b>Total Savings</b>				\$9,660,259	

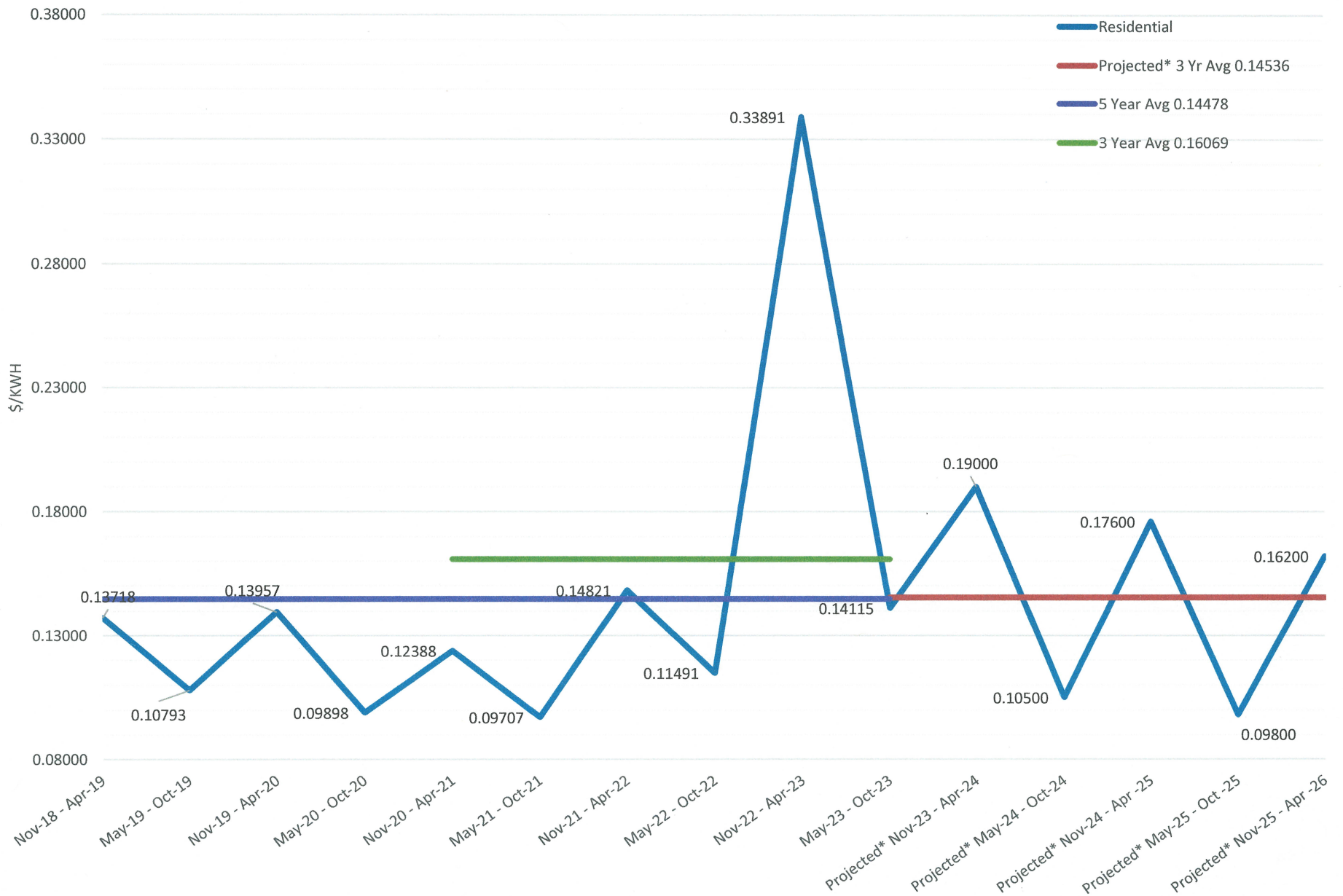
**NOTE 1: Electricity Usage based on 2022 residential usage values. Actual savings will vary.**

**October 2022 Insights:**

- The first 3 quarters in 2023 are projected to save \$7,951,194.
- The fourth quarter in 2023 is projected to save \$1,709,065 (NOTE: the 0.1900 rate is an estimate)
- The Inspire contract continues to save residents money over NGrid basic service rates.
- Continue to meet Council Order for savings over NGrid

# National Grid Residential Basic Service

as of 3/16/2023



\*Per Colonial Power Group

**CITY OF MARLBOROUGH  
ALL-REQUIREMENTS RETAIL POWER SUPPLY PRICING MATRIX  
COMBINED RATE COMPARISON -- Price Set 1**

START TERM	END TERM	TERM LENGTH	FIXED PRICE					PROJECTED
			SUPPLIER #1	SUPPLIER #2	SUPPLIER #3	SUPPLIER #4	SUPPLIER #5	BASIC SERVICE
								11/1/23-4/30/24 NGRID/WCMA
<b>STANDARD RETAIL ELECTRIC SUPPLY - Meets MA Requirement [62% for 2024; steps up each year]</b>								0.19000
1/1/2024	6/30/2024	6	0.14814	0.14930	0.15352	0.15499	No Bid	
1/1/2024	6/30/2024	6	0.14814	0.14930	0.15352	0.15499	No Bid	
7/1/2024	12/31/2024	6	0.13930	0.12860	0.14230	0.14669	No Bid	
1/1/2024	12/31/2024	12	0.14328	0.13910	0.14800	0.15072	No Bid	
1/1/2024	6/30/2025	18	0.14101	0.13880	0.14612	0.15033	No Bid	
1/1/2024	12/31/2025	24	0.13688	0.13420	0.14195	0.14843	No Bid	
1/1/2024	6/30/2026	30	No Bid	0.13460	0.14155	0.14788	No Bid	
1/1/2024	12/31/2026	36	No Bid	0.13200	0.14026	0.14524	No Bid	
<b>RETAIL SUPPLY THROUGH PURCHASE OF NATIONAL WIND RECS - MA Requirement + 38% [62% + 38% VREC = 100% for 2024]</b>								
1/1/2024	6/30/2024	6	0.14925	0.15080	0.15487	0.15651	No Bid	
1/1/2024	6/30/2024	6	0.14925	0.15080	0.15487	0.15651	No Bid	
7/1/2024	12/31/2024	6	0.14088	0.13010	0.14379	0.14821	No Bid	
1/1/2024	12/31/2024	12	0.14455	0.14060	0.14942	0.15224	No Bid	
1/1/2024	6/30/2025	18	0.14231	0.14040	0.14761	0.15185	No Bid	
1/1/2024	12/31/2025	24	0.13825	0.13580	0.14348	0.14995	No Bid	
1/1/2024	6/30/2026	30	No Bid	0.13620	0.14311	0.14940	No Bid	
1/1/2024	12/31/2026	36	No Bid	0.13350	0.14185	0.14676	No Bid	

CITY OF MARLBOROUGH  
 ALL-REQUIREMENTS RETAIL POWER SUPPLY PRICING MATRIX  
 COMBINED RATE COMPARISON -- Price Set 2

START TERM	END TERM	TERM LENGTH	FIXED PRICE					PROJECTED
			SUPPLIER #1	SUPPLIER #2	SUPPLIER #3	SUPPLIER #4	SUPPLIER #5	BASIC SERVICE
							11/1/23-4/30/24 NGRID/WCMA	
<b>STANDARD RETAIL ELECTRIC SUPPLY - Meets MA Requirement [62% for 2024; steps up each year]</b>							0.19000	
1/1/2024	6/30/2024	6	No Bid	No Bid	0.14589	0.14892	No Bid	
1/1/2024	6/30/2024	6	No Bid	No Bid	0.14589	0.14892	No Bid	
7/1/2024	12/31/2024	6	No Bid	No Bid	0.13922	0.14490	No Bid	
1/1/2024	12/31/2024	12	No Bid	No Bid	0.14261	0.14686	No Bid	
1/1/2024	6/30/2025	18	No Bid	No Bid	0.14142	0.14728	No Bid	
1/1/2024	12/31/2025	24	No Bid	No Bid	0.13839	0.14616	No Bid	
1/1/2024	6/30/2026	30	No Bid	No Bid	0.13867	0.14606	No Bid	
1/1/2024	12/31/2026	36	No Bid	No Bid	0.13784	0.14373	No Bid	
<b>RETAIL SUPPLY THROUGH PURCHASE OF NATIONAL WIND RECS - MA Requirement + 38% [62% + 38% VREC = 100% for 2024]</b>								
1/1/2024	6/30/2024	6	No Bid	No Bid	0.14724	0.15044	0.14490	
1/1/2024	6/30/2024	6	No Bid	No Bid	0.14724	0.15044	No Bid	
7/1/2024	12/31/2024	6	No Bid	No Bid	0.14071	0.14642	No Bid	
1/1/2024	12/31/2024	12	No Bid	No Bid	0.14403	0.14838	0.14490	
1/1/2024	6/30/2025	18	No Bid	No Bid	0.14291	0.14880	No Bid	
1/1/2024	12/31/2025	24	No Bid	No Bid	0.13992	0.14768	No Bid	
1/1/2024	6/30/2026	30	No Bid	No Bid	0.14023	0.14758	No Bid	
1/1/2024	12/31/2026	36	No Bid	No Bid	0.13943	0.14525	No Bid	

**PRICING NOTES:**

The City seeks two separate pricing sets. The RFP bid sheet provides two worksheets, one for each pricing set. The City strongly encourages suppliers to provide pricing for both sets, but will accept pricing in only one.

1) **Price Set 1:**

Supplier bids should include all costs associated with the following:

- Clean Energy Standard (inclusive of Clean Energy Standard Expansion Costs), RPS, APS, and Clean Peak Energy Standard, each as in effect as of bid date.
- ISO-NE Fuel Security costs associated with the Mystic cost-of service agreements, based on FERC approvals of such agreements in effect as of the date of this RFP. (if applicable for the terms requested)
- ISO-NE Inventoried Energy Program, as approved by FERC in ER19-1428-003, inclusive of the tariff filed by ISO-NE on 11/22/2022 and currently under FERC review.
- All ISO-NE Capacity Load Obligation Charges applicable throughout each supply term, as such charges are calculated and determined by ISO New England pursuant to ISO-NE Market Rule 1, as approved by FERC and in effect as of the date of this RFP.\*\*

2) **Price Set 2:**

Supplier bids should include all costs associated with the following:

- Clean Energy Standard (inclusive of Clean Energy Standard Expansion Costs), RPS, APS, and Clean Peak Energy Standard, each as in effect as of bid date.
- All ISO-NE Capacity Load Obligation Charges applicable throughout each supply term, as such charges are calculated and determined by ISO New England pursuant to ISO-NE Market Rule 1, as approved by FERC and in effect as of the date of this RFP.\*\*

Supplier bids should exclude all costs associated with the following:

- ISO-NE Fuel Security costs associated with the Mystic cost-of service agreements, based on FERC approvals of such agreements in effect as of the date of this RFP.
- ISO-NE Inventoried Energy Program (“IEP”), as approved by FERC in ER19-1428-003, inclusive of the tariff filed by ISO-NE on 11/22/2022 and currently under FERC review.
- If the City awards a Set 2 price, all documented ISO-NE settlement costs incurred for Mystic COS and IEP (each as applicable) shall be treated on a cost pass-through basis. Once awarded, the City would then work with the winning supplier to agree upon and set estimated, levelized \$/kWh adders for Mystic and IEP costs. Such estimates would be added to the supplier’s winning bid and charged to participating consumers. Any difference in actual settlement costs incurred versus adder revenues collected would be charged/credited back to the program using periodic rate adjustments over the contract term (likely no more frequently than every 6 months).

\*\* All offer prices shall be inclusive of all ISO-NE Capacity Load Obligation Charges applicable throughout each supply term, as such charges are calculated and determined by ISO New England pursuant to ISO-NE Market Rule 1, as approved by FERC and in effect as of the date of this RFP. Any claims for relief related to unanticipated capacity settlement costs during the term of an ESA shall be rejected, BUT FOR a claim for new incremental capacity charges or costs related to a FERC-approved change to ISO-NE’s Market Rule 1 issued after the Effective Date of the ESA.



**Agg Marlborough**  
LDC NatGrid

Start 1/1/2024 6 month			
Term	Month	Action	Mailing Month
1	1/1/2024		
2	2/1/2024		
3	3/1/2024	Refresh	January
4	4/1/2024		
5	5/1/2024		
6	6/1/2024		

January Mail / March Enrollment  
April Mail / June Enrollment  
July Mail / September Enrollment  
October Mail / December Enrollment

Start 1/1/2024 12 month			
Term	Month	Action	Mailing Month
1	1/1/2024		
2	2/1/2024		
3	3/1/2024	Refresh	January
4	4/1/2024		
5	5/1/2024		
6	6/1/2024	Refresh	April
7	7/1/2024		
8	8/1/2024		
9	9/1/2024	Refresh	July
10	10/1/2024		
11	11/1/2024		
12	12/1/2024		

Start 1/1/2024 18 month			
Term	Month	Action	Mailing Month
1	1/1/2024		
2	2/1/2024		
3	3/1/2024	Refresh	January
4	4/1/2024		
5	5/1/2024		
6	6/1/2024	Refresh	April
7	7/1/2024		
8	8/1/2024		
9	9/1/2024	Refresh	July
10	10/1/2024		
11	11/1/2024		
12	12/1/2024	Refresh	October
13	1/1/2025		
14	2/1/2025		
15	3/1/2025	Refresh	January
16	4/1/2025		
17	5/1/2025		
18	6/1/2025		

Start 1/1/2024 24 month			
Term	Month	Action	Mailing Month
1	1/1/2024		
2	2/1/2024		
3	3/1/2024	Refresh	January
4	4/1/2024		
5	5/1/2024		
6	6/1/2024	Refresh	April
7	7/1/2024		
8	8/1/2024		
9	9/1/2024	Refresh	July
10	10/1/2024		
11	11/1/2024		
12	12/1/2024	Refresh	October
13	1/1/2025		
14	2/1/2025		
15	3/1/2025	Refresh	January
16	4/1/2025		
17	5/1/2025		
18	6/1/2025	Refresh	April
19	7/1/2025		
20	8/1/2025		
21	9/1/2025	Refresh	July
22	10/1/2025		
23	11/1/2025		
24	12/1/2025		

1/1/2024	
Term	# of Refreshes
6	1
12	3
18	5
24	7