



TOWN OF SHIRLEY POWEROPTIONS ELECTRIC SUPPLY PROGRAM PLAN

MUNICIPAL AGGREGATION PLAN

PREPARED BY

GridSmart Energy

PURPOSE OF THE AGGREGATION PLAN

The Town of Shirley (hereinafter “Town”) developed the Shirley PowerOptions Electric Supply Program (hereinafter “Plan”) in consultation with an aggregation broker, GridSmart Energy (hereinafter GridSmart). The Plan was developed in compliance with Massachusetts Law regarding public aggregation of electric power consumers. The Plan contains all of the information required by the Massachusetts law. This plan has been distributed for review by the public prior to its submission to the Department of Public Utilities (hereinafter “Department”).

The purpose of this plan is to provide a means to empower consumer choice, and provide stable electric supply rates for the residential and business community within the Town. The town will represent the approximately 3500 energy ratepayers within the Town in the competitive electricity market and negotiate stable and low cost rates based on the ratepayers’ aggregate purchasing power.

Participation is voluntary. Ratepayers have the option of declining participation in the plan and purchasing energy from the power supplier of their choosing. While ratepayers may opt-out, data from similarly situated communities indicates a probable participation rate of 95%.

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1 REQUIREMENTS FOR MUNICIPAL AGGREGATION

The Massachusetts Electric Utility Restructuring Act of 1997 (the “Act”) contains several requirements for municipal aggregators. One requirement is to develop an aggregation plan in consultation with the Commonwealth’s Department of Energy Resources (DOER). The Plan is subject to review by ratepayers in the participating municipality and approval by the Department.

In order to become a public aggregator the municipality must go through a series of steps to ensure compliance with the Act, as well as allowing policy makers to become familiar with the process and market dynamics.

A Local Approval

- Vote and Authorization to become a Public Aggregator by Town Meeting
- Development of Plan in Consultation with local officials
- Review of Plan by Energy Committee, Town Administrator/Board of Selectmen
- Vote on Plan by the Board of Selectmen

B State Approval

- Consultation Meeting with the Department of Energy Resources
- Submission of Plan to the Department of Public Utilities for Approval
- Public Hearing on the Aggregation Plan by the “DPU”
- Approval & Order Received by the “DPU”

C Local Implementation

- Development of the Request for Proposals and Solicitation to Competitive Suppliers
- Selection of Competitive Supplier by the Town Administrator/Board of Selectmen
- Notification of Enrollment for Eligible Ratepayers
- Beginning of Opt-Out Period
- Transfer of Participating Ratepayers to Competitive Supplier

D Post Implementation Activities

- Ongoing Market Watch and Public Education
- Reporting Requirements to DOER

2 SHIRLEY'S POWEROPTIONS ELECTRIC AGGREGATION SUPPLY PROGRAM

The Town is offering one (1) program initially: Shirley's PowerOptions Electric Supply Program ("Program"). The Program provides professional broker services on behalf of participants in regulatory proceedings.

The Program is designed to offer a competitive alternative to eligible ratepayers in relation to the Investor Owned Utility's ("IOU") basic service rate. The program will allow the Town to apply favorable conditions into the services contracts that would otherwise not be attainable under the traditional single household contract.

Through a competitive procurement process, the Town will develop a contract with the most advantageous Competitive Supplier for service requirements. Pricing will be sought for a number of terms that will be fixed with all charges included (under no circumstances will program participants receive a separate supply invoice). The contract runs for a fixed term. Once the Town's agent has negotiated the contract, the contract shall be submitted to the Town Administrator for approval.

Eligible ratepayers may opt-out of the Program, and select Basic Service or power supply from any other Competitive Supplier they wish at any time before or following their enrollment in the Town's Program. No eligible ratepayer is required to receive service under the Town's contract.

The Town will procure additional options (i.e.; 100% Green, Carbon neutral, etc.) at the request and direction of the Board of Selectmen. Because these particular choices could influence price, GridSmart will work with individual ratepayers on a case-by-case basis to achieve any particular power supply makeup outside of the basic program offering.

A TOWN GOVERNMENT

The Town's government consists of a three (3) Member Board of Selectmen, which serves as the Town's Chief Executive Officer. Day to day operations are vested in the Town Administrator. The Town has an Open Town Meeting form of Government, which serves as Town's Legislative Body. Town elections are held the first Tuesday in May.

The Board of Selectmen is composed of three members elected for three-year terms. They meet on a posted schedule, generally every Monday evening at 7:00 P.M. at Town Hall. They may also hold other meetings from time to time. Specific powers and responsibilities of the Board of

Selectmen set forth in Massachusetts General Law, and various By-Laws. The Town does not have a Town Charter. The operational role of the Town is described in the next section.

B OPERATIONAL LEVELS

There are three (3) operational levels to the Town's Program as follows:

1 Level One: Board of Selectmen/Town Administrator

The Aggregation will be the ultimate responsibly of the elected representatives with oversight from the appointed Town Administrator. The Board of Selectmen will provide policy direction as needed. Based upon its existing authority or authority provided by voters at Town elections, the Board of Selectmen may act on program and policy issues and contract recommendations. In addition, it may provide instructions to the Town's agent regarding specific policy or program decisions made under the Program. It may also raise issues directed to it by ratepayers for the Town to address.

2 Level Two: Consultant/Broker

As the Town's agent, the Consultant shall provide the day-to-day management and supervision of the business affairs of the Program under a contract agreement. The Consultant shall serve as the Town's procurement agent, utilizing its existing staff to solicit services as requested by the Town.

This administrative support includes:

- Ratepayer communications;
- Program development;
- Recordkeeping;
- Program oversight and maintenance; and
- Contract dispute settlement (if any).

3 Level Three: Competitive Supplier

Competitive Suppliers will contract with the Town through its Board of Selectmen. The consultant in concert with the Board of Selectmen/Town Administrator will negotiate the contract. The complete set of Competitive Supplier responsibilities are found in the Electric Service Agreement (ESA) between the Town and the Competitive Supplier. It will be the responsibility of the consultant to monitor the activities of the Aggregation on behalf of the Board of Selectmen.

ADMINISTRATION OF THE AGGREGATION

The Program's operations are guided by the provisions and goals contained in this Plan, the instructions and decisions of the Board of Selectmen and the Consultant, with guidance from participating ratepayers.

The goals of this Plan are as follows:

- provide the basis for aggregation of eligible ratepayers on a non-discriminatory basis;
- acquire a market rate for power supply and transparent pricing;
- provide equal sharing of economic savings based on current electric rates;
- allow those eligible ratepayers who choose not to participate to opt-out;
- provide full public accountability to participating ratepayers; and
- provide for and ensure ratepayer protections utilizing the authority of the municipality. .

No direct staffing will be required to carry out the program. The broker, in conjunction with the supplier, will carry out the following:

- technical market analysis;
- competitive procurement of services;
- regulatory approvals;
- accounting and fiscal management;
- contract maintenance;
- communications;
- program coordination; and
- administrative support.
- marketing support

The Town intends to utilize the Consultant as the professional, technical, and legal consultant to operate the Program. The Consultant is a licensed broker of electricity in Massachusetts (EB-107). The Consultant has experience designing, implementing and administering opt-out municipal aggregation programs.

The Consultant will be responsible for monitoring all aspects of the Program and any resulting contractual agreements, including but not limited to: monitoring and reporting on compliance with all contract terms and conditions, resolution of contract issues, implementation of the opt-out process for ratepayers, participation in negotiations with NGRID, preparation of reports, as

directed, and routine updates and attendance at meetings with the Town Administrator, Board of Selectmen, and/or Energy Committee.

The Program has been developed on behalf of the Town by the Consultant with the support of technical consultants and legal counsel. Once a contract has been secured, the Consultant will administer the Program.

The Consultant will undertake negotiations with Competitive Suppliers and provide representation at the state level, as needed, at the direction of the Board of Selectmen. The terms and conditions of any contract may be subject to review by the Town Counsel, as well as by any outside legal counsel selected by the Town, and may be further subject to the Town Counsel's approval as to form.

3 FUNDING

Private capital supplied by GridSmart will fund the initial implementation of the program. The ESA with a Competitive Supplier will include a \$0.001/kWh adder paid by the Competitive Supplier to the Consultant. The \$0.001/kWh adder will fund the on-going costs of the Program. The start-up costs, to be borne by the Consultant, include costs for legal representation, public education, and communications. Mailing costs will be borne by the Competitive Supplier.

4 PROGRAM START AND END

The Town, in utilizing its consultant, will follow all the necessary steps to select the appropriate competitive supplier. The program start will require the following:

- Positive Consultation from the DOER;
- Approval of Plan by DPU;
- Development of the ESA with the Competitive Supplier;
- Acceptance of ESAs by the Board of Selectmen (Town Administrator will be authorized to execute);
- Notification of Enrollment for Eligible Ratepayers;
- Notification to National Grid ("NGRID");
- Beginning of Opt-Out Period;
- Transfer of Participating Ratepayers to Competitive Supplier.

The Town will undertake efforts to educate the public on the program by utilizing the following processes:

- Mailings by the Town;

- Utilization of the Town’s social media pages;
- The creation of a dedicated website for the aggregation program;
- Public service announcements (PSAs); and
- Notices posted in Town Hall.

Based on communication with NGRID, the ratepayer notification and enrollment process with the competitive supplier will take place over a 60-day period. GridSmart will adhere to NGRID’s Terms and Conditions for Municipal Aggregators. These procedures were discussed in numerous meetings between GridSmart and NGRID.

The methods by which eligible ratepayers will be enrolled in the Program are consistent with NGRID’s Terms and Conditions for Competitive Suppliers.

5 METHODS FOR ENTERING AND TERMINATING AGREEMENTS

The Town’s process for entering, modifying, enforcing, and terminating all agreements associated with the Program shall comply with the requirements of the Town, and state and federal laws. Where required, the procedures outlined in M.G.L. c. 30B shall be followed. Any additional agreements in relation to the Shirley Power Options Electric Supply program will be addressed in a manner consistent with the Massachusetts General Laws. The Town will notify NGRID of the planned termination or extension of the program and will provide the utility with the appropriate level of notice, a minimum will be required however in an effort to provide the best transition to basic service the Town will work with the utility.

6 RATE SETTING & OTHER COSTS

The Town will offer the Program at rates and terms negotiated with the Competitive Supplies, with the aforementioned adder included. The Town will solicit pricing on a number of terms and methodologies (i.e.; different rates for different rate classes).

The final pricing will be displayed on utility invoices as “other supplier services” and will not affect delivery charges set by the Department of Public Utilities. Participants will receive one bill. The Plan will have no impact on those ratepayers who currently receive power from on-site renewable sources.

There is no cost to eligible or participating ratepayers. The Program funding will be derived from a \$0.001/kWh commission fee payable by the Competitive Supplier to the Consultant.

7 UNIVERSAL ACCESS

Universal access will be guaranteed to all ratepayer classes under equitable terms. Any entity receiving “basic service” may participate or “opt out” without penalty. The program will be open to all ratepayers after the “opt out” date if the aggregation program participation is reconsidered, or where new accounts are established after the program inception. The 30-day “opt out” process will notify participants of their rights and responsibilities. Ratepayers will receive a postcard that as the “opt out” notification. An electronic “opt out” option will also be available.

Eligible low-income ratepayers shall remain subject to all existing provisions of state law regarding their right to return to Basic Service and participate in the Program.

8 EQUITABLE TREATMENT OF RATEPAYERS

Ratepayers will be treated equitably. Program participants in each rate class will be subject to the same treatment. The program will not interfere with those ratepayers who have chosen a competitive supplier outside of the program and will not receive “opt out” notifications from the program. The program will be designed to allow for ratepayers not originally in the program to opt in as they see fit to comply with the provisions of “universal access.”

The Town and the Consultant are aware that some ratepayers may have limited English language proficiency that may impede their ability to participate in, or opt-out of, the Plan. To address this issue, GridSmart has contracted with Keylingo (www.keylingo.com) to translate any correspondence, notice, or online information to any language needed for Shirley ratepayers. The consultant will bear the cost of this service.

9 RELIABILITY

The ESA with the competitive supplier will reinforce the community’s need for rate stability and the market presence to be able to deliver the supply as solicited by the Aggregation Program. National Grid, the “IOU” will be responsible for the delivery, maintenance, and in the case of an outage, restoration of service. The ESA will commit the supplier to an appropriate level of insurance and surety to deliver the supply at the negotiated rate(s).

10 RIGHTS AND RESPONSIBILITIES OF PARTICIPANTS

All participating ratepayers shall enjoy the protections of law afforded to them as they currently exist or as they may be amended from time to time. No ratepayer eligible for the program will be forced into the program if they so desire to opt out. The public will have the right to view this plan and all associated documents of the aggregation by posting pertinent information on the Town’s website www.shirleyma.gov. A hard copy of the Aggregation plan will be available to

all citizens through the Board of Selectmen/Town Administrator's Office and through the Town Clerk.

Questions can be submitted to the Consultant through the Town or directly. The Consultant will be available to the public in person at the request of the Board of Selectmen, via telephone, or via electronic mail. The consultant will have set times established by the Board of Selectmen to be in the Town of Shirley to meet with interested parties.

11 REQUIREMENTS FOR MUNICIPAL AGGREGATION

The Town shall comply with all rules, regulations and requirements established by the Massachusetts General Court and Department of Public Utilities.