



**TOWN OF ARLINGTON**  
DEPARTMENT OF PLANNING and  
COMMUNITY DEVELOPMENT

TOWN HALL, 730 MASSACHUSETTS AVENUE  
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**MEMORANDUM**

To: Sandy Pooler, Town Manager  
Cc: Kelly Lynema, Acting Director, Planning and Community Development  
Joan Roman, Public Information Officer  
From: Talia Fox, Sustainability Manager, Planning and Community Development  
Date: September 16, 2022  
RE: 2022 Arlington Community Electricity Contract Updates

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The Town's current contract for the Arlington Community Electricity (ACE) program expires in November 2022. In its March 30, 2022 meeting, the Select Board discussed the ACE contract renewal and the level of renewable energy in the ACE default product with then-Town Manager Adam Chapdelaine and Sustainability Manager Talia Fox.<sup>1</sup> The Select Board authorized the Town Manager to set an ACE default rate of no less than 25% additional Class I<sup>2</sup> renewable energy above the State minimum renewable energy standards,<sup>3</sup> taking into consideration a rate that sustains participation in the ACE default product. The purpose of this memorandum is to update the Select Board on the Town's new supply contract, including:

- 1) Key contract components and pricing; and
- 2) Levels of renewable energy in the ACE optional products.

**Key Contract Components and Pricing**

The Town has secured a new, two-year supply contract for November 2022-November 2024, including a default product containing 30% additional Class I renewable energy above the State requirement (an increase compared to the current contract's default product, which contains 11% additional Class I renewable energy). The Town will also contract with a new supplier, NextEra Energy Services.

On September 26, 2022, the Town will mail all ACE participants a renewal notification informing them of the new contract program rates and supplier; the ACE product in which they are currently enrolled and will remain enrolled without further action; and how to switch to a different ACE product or opt out of the program entirely. For all ACE products, the following table displays updated rates, additional and total renewable energy content, and additional costs compared to the new ACE Basic rate and equivalent products under the current ACE contract. The table also displays the current Eversource Basic Service rate through December 2022 for comparative purposes.

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<sup>1</sup> For additional details on the ACE program and considerations for the 2022 contract renewal, see March 16, 2022 "Memo on ACE Contract Renewal" sent to Adam Chapdelaine, Town Manager, from Talia Fox, Sustainability Manager.

<sup>2</sup> Class I includes solar, wind, low-impact hydroelectric, and anaerobic digestion sources located in New England and operating beginning in 1998 or later. See Massachusetts Department of Energy Resources, *Program Summaries*, 2022, <https://www.mass.gov/service-details/program-summaries>

<sup>3</sup> Massachusetts minimum renewable energy standards, for all electricity suppliers, are known as the Renewable Portfolio Standard.

*ACE Product Rates and Renewable Energy Content for 2022-2024 Contract*

Product	Additional Class I Renewable Energy	Total Class I Renewable Energy (2022) <sup>^</sup>	Rate (\$/kWh)	Additional Monthly Cost Compared to ACE Basic	Additional Monthly Cost for Average Residential User Compared to Current Contract Rates*
<i>Eversource Basic Service (through Dec 2022)<sup>+</sup></i>	0%	20%	\$0.17871	\$8.55	N/A
ACE Basic	0%	20%	\$0.16090	N/A	\$25.87
ACE Local Green (Default)	+30%	50%	\$0.17200	\$5.33	\$29.62
ACE Local Greener	+50%	70%	\$0.17940	\$8.88	\$27.55
ACE Local Greenest	+100%	120%	\$0.19790	\$17.76	\$29.23

Notes: <sup>^</sup>State standards will increase Class I each year of the program, to 24% by 2024. See Massachusetts Department of Energy Resources, Program Summaries, 2022, <https://www.mass.gov/service-details/program-summaries>.  
<sup>\*</sup>Based on the average consumption of 479.9 kWh per month per regular residential (R-1) household. Total costs of electricity for R-2 and R-3 low-income customers are lower than R-1 customers.  
<sup>+</sup>Future savings cannot be guaranteed.

As expected, the cost of the ACE Basic product has risen alongside electricity prices across the market because natural gas prices, the primary driver of electricity prices in New England, have increased.

These market conditions are also reflected in the current Eversource Basic Service rates, which, through December 2022, will be \$0.17871/kilowatt hour (kWh), slightly higher than the ACE default rate of \$0.17200/kWh. Eversource's next "winter" Basic Service rate will take effect on January 1, 2023, and winter rates are typically at least a few cents higher (future savings cannot be guaranteed). All information in the table above represents only the supply portion of the electricity bill.

**Levels of Renewable Energy in the ACE Optional Products**

The Select Board expressed a preference for a simplified, three-tiered program that eliminated the Local Greener option and redefined the Local Greenest product as containing 100% *total* Class I renewable energy, versus 100% *additional* Class I renewable energy, as currently defined. The initial contract that Mr. Chapdelaine signed following the May 2022 bidding process reflected this preference. In August 2022, Good Energy informed the Town of a decision from the Massachusetts Department of Public Utilities (DPU) on the City of Fitchburg's aggregation program that affects the renewal contract signed by Mr. Chapdelaine. The ruling from the DPU suggests that if the Town were to redefine its Local Green and Local Greenest products, participants in these products would have to affirmatively opt back into ACE when the new contract begins in November 2022, or they would be removed from ACE and put onto Eversource Basic Service at that time.

To avoid a situation in which nearly 1,300 ACE customers would be placed back onto the more expensive Eversource Basic Service rate, and to avoid a loss of enrollment in the ACE 100% product (and the ACE program in general), Town Manager Sandy Pooler is signing a contract amendment that maintains the current product offerings, depicted in the table above. This decision reflects the Select Board's preferences to maintain high levels of enrollment in ACE as well as consultation with Good Energy, Ms. Fox, and representatives from the Town's Clean Energy Future Committee. The amendment maintains the Local Greener option and returns to a definition of the Local Greenest product as containing 100% *additional* Class I renewable energy (yielding a total of 120% Class I renewable energy in 2022, 122% in 2023, and 124% in 2024). Prices for the ACE Basic and Local Green products are the same as those in the original contract.