

# Memorandum

TO: The Honorable Member of the South Kingstown Town Council  
FROM: Robert Zarnetske, Town Manager  
RE: Energy Aggregation / Purchasing Plan  
DATE: July 23, 2020

## EXECUTIVE SUMMARY - COMMUNITY ELECTRICITY AGGREGATION PLAN

South Kingstown is poised to be the fourth community in Rhode Island to conduct a public hearing on its Draft Community Electricity Aggregation Plan. This public hearing is required by Rhode Island law and input received shall be addressed and incorporated into the aggregation plan in advance of being submitted to the Public Utilities Commission for review. The Town is working with consultant Good Energy, L.P. to design and manage its Community Electricity Aggregation.

## COMMUNITY ELECTRICITY AGGREGATION IN GENERAL

On September 23, 2019 the Town Council approved a resolution directing the Town Manager to research, develop and implement an aggregation plan. The plan describes a program to create a new default electricity supply for South Kingstown residents and businesses. Instead of simply utilizing National Grid's electricity supply, South Kingstown will bundle together the electricity needs of its residents and small businesses and put out an RFP for electricity suppliers to provide the necessary electricity at a competitive price. With Community Electricity Aggregation, the Town is able to make strategic decisions about when to solicit bids, lock in fixed pricing for multiple years, and increase the amount of renewable energy above the existing statewide minimum.

## KEY ELEMENTS OF THE PLAN

- Per state law, the Town Council has authority over the aggregation plan including the review and approval of the plan and to make amendments to the plan on an on-going basis.
- The Town Manager will oversee day-to-day administration of the program, in coordination with the Town's consultant, Good Energy.
- The program would have a default electricity supply with the goal of generating cost savings compared to National Grid's supply while also including extra renewable energy.
- The program would have three optional electricity supplies:
  - 100% renewable energy - this maximizes environmental impact.
  - 50% renewable energy - to balance environmental impact and savings.
  - Just the state-mandated minimum renewable energy - maximizes potential savings.
- Good Energy will orchestrate a comprehensive education and outreach plan ahead of the program start date. Key messages are 1) that this is a Town-sponsored program, 2) eligible accounts will be automatically enrolled, and 3) account holders may choose to opt out of the program before it starts or anytime during at no penalty.

## COMMUNITY PARTICIPATION AND CONSUMER RIGHTS

The Town Manager's office, in partnership with Good Energy, have collaborated with the Sustainability Committee for input and direction on the plan, particularly on the electricity supply products to offer and the education and outreach strategies.

As directed by state law, a public hearing has been organized for Monday, July 27. Notice of the hearing will have been published twice in the Narragansett Times and comment may be given ahead of time via email, mail or phone. The results of this hearing will be included in the final plan version.

The Town Council may vote to approve the plan after the public hearing. Doing so would commit the municipality to requesting approval of the plan by the Public Utilities Commission. A vote to approve the plan also indicates the Town's intention to work with a broker to purchase lower-cost and "greener" electricity on behalf of all electricity consumers in South Kingstown. Approval of the plan would however, also preserves the rights of individual consumers, households and businesses to opt out of the aggregation plan at a future date.

## COUNCIL APPROVAL & NEXT STEPS

In order to submit the Plan to the Public Utilities Commission, the Council must approve the plan after the public hearing. The Public Utilities Commission will then begin their own review process, to ensure that the Plan complies with the statute, including holding a second public hearing organized by the Commission.

Once the Public Utilities Commission approves the plan, then the Town, working with Good Energy, may solicit competitive bids. The Town is never under obligation to select a supplier. If pricing is not competitive and does not meet the Town's goals, Good Energy will conduct additional bids.

Once a winning supplier is selected, then the Town and Good Energy will launch a comprehensive education and outreach effort to focus on informing residents and businesses as to the pending change in supply, detailed in Attachment 2. This plan is meant to be flexible and adaptable to community conditions in the two months prior to program launch, and the Council will have on-going opportunity to revise and amend this outreach plan.

## RESOLUTION REQUESTED

A resolution to approve the Community Electricity Aggregation plan as presented and to direct the Town Manager to submit the plan to the Rhode Island Public Utilities Commission for its review and consideration.

## **SOUTH KINGSTOWN COMMUNITY AGGREGATION PLAN**

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## **I. OVERVIEW OF THE AGGREGATION PLAN**

The following is South Kingstown’s (“Municipality”) Community Aggregation Program (“Program”), developed consistent with Section 1.2 of Chapter 39-3 of the RI General Laws. This plan was created through the following process:

1. Passage of authorizing resolution,
2. Signed agreement with Municipality’s aggregation consultant,
3. Creation of a Draft Plan,
4. Public hearing on Draft Plan,
5. Response to public hearing,
6. Finalization of Plan, and
7. Submission of Final Plan to Public Utilities Commission.

See **Attachment 1** for details on these steps.

The purpose of this aggregation plan is to provide universal access to new electricity supply choices for the Municipality’s residents and businesses with the goals of delivering price stability, cost savings, and an increase in the percentage of renewable energy. This plan details the process to implement the Program and its consequences.

Before implementation, the Plan will be reviewed and approved by the Rhode Island Public Utilities Commission (“Commission”). The Commission will ensure that the Program satisfies all statutory requirements. This Plan was developed to demonstrate that the Program of the Municipality satisfies all requirements necessary for the approval of the Commission.

## **II. CLASSES OF CONSUMERS THAT MAY PARTICIPATE.**

### **II.A. APPLICABLE CLASSES**

The Program will be available for the residential, commercial and industrial classes of electricity consumers as defined by Municipality’s electric distribution company, National Grid (“Applicable Classes”). The residential class is comprised of the rates A-16 (Basic Residential), A-60 (Low Income); the commercial class is comprised of rates C-06 (Small Commercial), G-02 (General Commercial), S-05 (Street & Area Lighting, Customer Owned Equipment), S-06 (Decorative Street & Area Lighting), S-10 (Private Lighting) and S-14 (General Street & Area Lighting); and the industrial class is comprised of B-32 (Large Demand Back-up Service) and G-32 (Large Demand).

### **II.B. UNIVERSAL ACCESS & EQUITABLE TREATMENT**

It will provide universal access to consumers by guaranteeing that all consumers in the Applicable Classes will be included in the Program under equitable terms.

As required by the statute, there shall be equitable treatment of Applicable Classes within the Program. The Program makes three distinctions among groupings of consumers.

First, the Program will distinguish among Applicable Classes by soliciting separate pricing for each of those classes of electricity consumers as defined by the Municipality's electric distribution company.

Second, the Program will distinguish among consumers receiving the standard product and consumers that affirmatively choose an optional product. The program will solicit separate pricing for each of the standard and optional products.

Third, the Program will distinguish between consumers that join the program through an opt-out process and consumers that join through an opt-in process.

- Consumers that join through an opt-out process include the initial consumers and new consumers in the Municipality after the program start-date. Initial consumers are those consumers in applicable classes on Standard Offer Service with National Grid that are automatically enrolled in the Program, unless they choose to opt-out. All initial consumers will receive the contracted program pricing for their rate class. Among new consumers, the Program will distinguish between new residential and small commercial consumers, who will receive the contracted program pricing, and all other commercial and industrial consumers, who will receive pricing based on market prices at the time the consumer joins the Program.
- Consumers that join by opting-in include two types of consumers: a) consumers that did not become part of the Program initially because they were being served by a competitive supplier and then joined the Program; and b) consumers joining the Program after having previously opted out. Those consumers that were being served by a competitive supplier at program initiation but who later join the Program will be treated the same as new consumers – residential and small commercial consumers will receive the contracted program pricing and all other commercial and industrial consumers will pay a price based on the then-current market rates. All consumers that join the Program after having previously opted out will be offered a price based on then-current market rates rather than the standard contract price. This distinction is designed to limit any incentive for frequent switching back and forth between the aggregation program and Standard Offer Service of National Grid.

All consumers will have the right to opt-out of the Program at any time with no charge.

### **III. PROGRAM ORGANIZATIONAL STRUCTURE.**

The following entities have a specific role in the development, implementation, operation and oversight of the Program:

- Town Council: The Plan will be approved by the Town Council, the legislative authority of the citizens of the Municipality, and overseen by the Town Council or designee of the Town Council. The Town Council or designee(s) of the Town Council will be responsible for making decisions and overseeing the administration of the Program with the assistance of the Aggregation Consultant. Prior to the receipt of bids from Competitive Suppliers, a designee(s) of the Town Council shall be specifically authorized to enter into an Electric Service Agreement ("ESA") under parameters specified by the Town Council.

- Town Manager: The Town Council delegates its authority to the Town Manager for the proper execution of this Aggregation Plan consistent with applicable R.I. General Laws. The Town Manager and staff shall regularly meet with the Aggregation Consultant for the purpose of providing oversight of the Aggregation Program. The Town Manager shall provide, at least annually, reports to the Town Council as to the Program's performance and propose any legislative amendments or resolutions that may be necessary, from time to time, to improve the plan.
- Aggregation Consultant: The Aggregation Consultant will manage certain aggregation activities under the direction of the Town Council or designee of the Town Council. Their responsibilities will include managing the supply procurement, developing and implementing the public education plan, interacting with National Grid and monitoring the supply contract. The Municipality has selected Good Energy, L.P. to provide these services.
- Competitive Supplier: The Competitive Supplier will provide power for the aggregation, provide consumer support including staffing an 800 number for consumer questions, and fulfill other responsibilities as detailed in the Electricity Supply Agreement (ESA). The Competitive Supplier shall be required to enter into an individual ESA with the Municipality under terms deemed reasonable and appropriate for the Town's constituents by the Town Council.
- Buying Group: The Municipality may elect to join with other municipal aggregators in combining its load for purposes of soliciting bids from Competitive Suppliers. The purpose of the Buying Group is to allow municipal aggregators to capture the benefits of collective purchasing power while retaining full municipal autonomy. The Municipality shall be represented by the designee(s) of the Town Council on the executive committee of the Buying Group. The Municipality, through its designee as specifically authorized by the Town Council, shall select a Competitive Supplier based on the needs of the Municipality and shall not be required to select the same terms or Competitive Supplier as other members of the Buying Group.
- Applicable Consumers: Applicable Consumers shall include consumers of electricity located in Applicable Classes within the geographic boundaries of the municipality who are (1) Standard Offer Service consumers; (2) Standard Offer Service consumers who have indicated that they do not want their contact information shared with competitive suppliers for marketing purposes; or (3) consumers receiving Standard Offer Service plus an optional renewable energy product that allows concurrent enrollment in either Standard Offer Service or competitive supply. The following consumers shall be excluded as Applicable Consumers: (1) Standard Offer Service consumers who have asked that National Grid not enroll them in competitive supply; (2) Standard Offer Service consumers enrolled in a green power product program that prohibits switching to a competitive supplier; and (3) consumers receiving competitive supply service.

Program intends to offer the following electricity supply products to consumers:

- Standard Product

- The Program intends to offer Smart Energy as its standard product. South Kingstown Smart Energy product has a goal of maintaining rough cost parity with National Grid's Standard Offer product and it is expected to include 10 percentage points of renewable

energy above the Renewable Energy Standard (RES) as required by the State of Rhode Island. The exact percentage of renewable energy to be included in South Kingstown Smart Energy will be determined after the receipt of bids from competitive suppliers, with a goal of including as many renewable energy credits (RECs) produced by new renewable energy sources in Rhode Island as possible while maintaining rough cost parity with National Grid's Standard Offer product. Including RECs from new, renewable energy sources enables customers to have a meaningful impact on the reduction of greenhouse gas emissions through the support of local renewable energy sources.

- Optional Products:

- o Basic. Some customers may feel that the amount of new, renewable energy required by the RES in Rhode Island includes sufficient amounts of RECs to fulfill their renewable energy objectives. This product offers the same amount of renewable energy offered by National Grid's Standard Offer product.
- o Smart Energy Plus. For customers that want more electricity generated from new, renewable energy resources than is offered by Smart Energy, though may not want to purchase RECs for 100% of their usage. This product is expected to include RECs for 50% of their usage. The exact amount of renewable energy to be included with this product will be determined at a later date and will be the same for all customers choosing this option. If this product includes RECs in an amount other than 50% of a customer's metered consumption, the Program will rename the product to appropriately reflect the amount of RECs the product contains. This enables customers who chose this option to have a more meaningful impact on the reduction of greenhouse gas emissions without committing to REC purchases for 100% of their usage.
- o Smart Energy Plus Plus. For customers that want more electricity generated from new, renewable energy resources than is offered by Smart Energy, this product offers up to a 100% renewable energy option. The exact amount of renewable energy to be included with this product will be determined at a later date and will be the same for all customers choosing this option. If this product includes RECs in an amount less than 100% of a customer's metered consumption, the Program will rename the product to appropriately reflect the amount of RECs the product contains. This enables customers who chose this option to have a more meaningful impact on the reduction of greenhouse gas emissions through the support of local renewable energy sources.

#### **IV. PROGRAM OPERATIONS.**

Following approval of the Plan by the Commission, the key operational steps will be (a) issue a Request for Proposals (RFP) for power supply and select a competitive supplier, (b) implement a public information program, including a 30-day opt-out period, and (c) enroll consumers and provide electric supply service, including quarterly notifications regarding the sources and renewable content of the power

supply. The implementation of an aggregation requires extensive interaction between the Municipality, the Competitive Supplier, and National Grid.

#### **IV.A. ISSUE AN RFP FOR POWER SUPPLY AND SELECT A COMPETITIVE SUPPLIER.**

##### Power Supply

After the Commission approves the Plan, the next step is to procure a contract for power supply.

The Program will solicit bids from leading competitive suppliers, including those currently supplying aggregations in Massachusetts and other states. In seeking bids from competitive suppliers, the Program may solicit bids for its load individually or as part of a Buying Group with other municipal aggregators. The RFP will require that the supplier satisfy key threshold criteria, including:

- Licensed by the Commission.
- Strong financial background.
- Experience serving the competitive market or municipal aggregations in other states.
- Demonstrated ability, supported by references, to provide strong consumer service.

In addition, suppliers will be required to agree to the substantive terms and conditions of the ESA, including, for example, the requirement to:

- Provide all-requirements service at a fixed price.
- Allow consumers to exit the program at any time with no charge.
- Agree to specified consumer service standards.
- Comply with all requirements of the Commission and National Grid.

The Program will solicit price bids from suppliers that meet the threshold criteria and agree to the terms and conditions of the ESA. The Program will request bids for a variety of term lengths (e.g. 12, 24, 36 or 48 months) and for power from different sources. Prior to delivery of the bids, the Town Council shall provide authorization to its designee(s) to select a bid and enter into an ESA based upon parameters the Town Council deems appropriate for its constituents. In consultation with its Aggregation Consultant, the designee(s) of the Town Council will evaluate the bid results including price, term and source. Whether the Program conducts an individual solicitation or participates in a solicitation with a Buying Group, at the conclusion of the bidding process it will select a price, term and supplier appropriate for its constituents. Participation in the Buying Group shall not require the Program to select the same price, terms or supplier as other members of the Buying Group. If none of the bids is satisfactory, the Program will reject all bids and repeat the solicitation for bids as often as needed until market conditions yield a price that is acceptable. The Program will only accept a bid that enables it to launch the aggregation with a price, terms and characteristics that meet the criteria set by their municipal officials.

##### Renewable Energy

In addition to soliciting bids for power supply that meet the required Rhode Island RES obligation, the Program intends to solicit bids for a supply of additional new renewable energy resources, as defined in Section 5 of Chapter 39-26 of RI General Laws for its products as described above.. The Town Council, or their designee, will determine the appropriate percentage of additional renewable energy to be included



with the standard product and the optional products based upon their assessment of market conditions and what would be in the best interest of consumers at the time of the power supply solicitation.

The Program will require bidders to identify the technology, vintage, and location of the renewable generators that will be meeting the renewable energy requirements for each of its products. It will also require that the renewable energy sources be created and recorded in the New England Power Pool Generation Information System (NE-GIS) or be certified by a third party. The Program may provide consumers with renewable generation source information through a variety of vehicles including the program web site, content disclosure labels and the consumer notification letter.

#### **IV.B. IMPLEMENT PUBLIC EDUCATION CAMPAIGN.**

Once a winning supplier is selected, the Program will implement a public education program.

The delivery of a comprehensive and professional public education and outreach plan and associated materials are crucial to ensuring understanding of, acceptance of and participation in the aggregation. The Program intends to build enthusiasm for and understanding of the aggregation through community-wide events and presentations. As a result, the Municipality anticipates a high level of awareness about the aggregation program before the start of electric supply service.

The public education component for program launch consists of two components: 1) Initial outreach and education and 2) Consumer notification letter. The information will be made available in multiple languages where appropriate.

1. Initial Outreach and Education: This will be conducted prior to arrival of the consumer notification letter and will continue throughout the opt-out period. This effort will include information about the goals of the Program, the basic terms and conditions including renewable energy components and the opt-out notification. This effort may include a wide range of in-person events, traditional and social media, Web and printed materials. The attached Education and Outreach Plan (Attachment 2) describes in detail the Program's anticipated initial outreach efforts and timeline.

2. Consumer Notification Letter: In addition to the broad-based education initiatives, a consumer notification letter will be mailed to every Applicable Consumer on Standard Offer Service with National Grid. The notice will be a direct communication of the Municipality, and it will be sent in an envelope clearly marked as containing time-sensitive information related to the program. The notice will: (1) introduce and describe the program; (2) inform consumers of their right to opt-out and that they will be automatically enrolled if they do not exercise that right; (3) explain how to opt-out before program launch and how to opt-out after program launch; and (4) prominently state all program charges and compare the price and primary terms of Program's competitive supply to the price and terms of the current Standard Offer Service offering provided by National Grid. The notice will indicate that because of market changes and differing terms, the Program cannot guarantee savings compared to Standard Offer Service over the full term of the Program. The competitive supplier shall bear all expenses regarding the consumer notification letter.

The consumer notification letter will include an opt-out reply card and envelope. Consumers will have 33 days from the date of the mailing to return the reply card if they wish to opt out of the

Program and the opt-out notice shall identify the return date by which the reply envelope must be mailed and postmarked. The competitive supplier shall allow an additional 3 days from the return date for receipt of the opt-out replies before initiating automatic enrollments in the Program. This timeline is designed to provide applicable consumers with a full 30 days to consider whether to opt-out of the program before launch. The notice will be designed by the aggregation consultant and the Municipality and printed and mailed by the competitive supplier, who will process the opt-out replies. The competitive supplier will provide a pre-stamped envelope for return of the opt-out reply card in order to protect consumer privacy.

The attached Education and Outreach Plan Detail (**Attachment 2**) describes in detail the Program's anticipated initial outreach efforts and timeline. **Attachment 3** provides sample consumer notification letter, reply card and envelope.

#### **IV.C. ENROLL CONSUMERS AND PROVIDE SERVICE**

After the completion of the opt-out period, the competitive supplier will enroll into the Program all Applicable Consumers on Standard Offer Service with National Grid who did not opt-out. All enrollments and other transactions between the competitive supplier and National Grid will be conducted in compliance with the relevant provisions of Commission regulations, Terms and Conditions for Competitive Suppliers, and the protocols of the Electronic Business Transactions Working Group.

Once consumers are enrolled, the Program will provide all-requirements power supply service. The Program will also provide ongoing consumer service, maintain the Program web site, and process new consumer enrollments, ongoing opt-outs, opt-back-ins, and consumer selections of optional products. Prior to the expiration of the initial ESA, the Program intends to solicit a new power supply agreement.

Also, as part of ongoing operations, the Program may coordinate the aggregation program with existing energy efficiency programs that have helped residents reduce their energy usage and cost.

Finally, the Public Education & Outreach Plan Detail (**Attachment 2**) has detail on the ongoing education and outreach efforts during program operation.

#### **V. PROGRAM FUNDING.**

All of the costs of the Program will be funded through the ESA.

The primary cost will be the charges of the competitive supplier for the power supply. These charges will be established through the competitive solicitation for a supplier.

The administrative costs of the Program will be funded through a per kilowatt-hour aggregation fee that will be paid by the competitive supplier to the Aggregation Consultant, as specified in the ESA. This aggregation fee will cover the services of the Aggregation Consultant, including developing the aggregation plan, managing the Commission's approval process, managing the supply procurement, developing and implementing the public education plan, providing consumer support, interacting with National Grid, monitoring the supply contract, and providing ongoing reports. This charge has been set at \$0.001 per kilowatt-hour.

## **VI. RATE SETTING AND COST ALLOCATION AMONG PARTICIPANTS.**

As described above, the power supply charges of the aggregation program will be set through a competitive bidding process and will include the aggregation fee and applicable taxes pursuant to the ESA. Prices, terms, and conditions may differ among consumer classes, which classes will be the same as the Standard Offer Service consumer classes of National Grid. The frequency of price changes will be determined through the competitive bid process. The Program expects to solicit bids for a number of different contract terms. Prices may change as specified in the winning bid and consumers will be notified of price changes through media releases and postings on the aggregation web site.

If there is a change in law that results in a direct, material increase in costs during the term of the ESA, the Municipality and the competitive supplier will negotiate a potential change in the program price. At least 30 days prior to the implementation of any such change, the Program will notify consumers of the change in price by issuing a media release and posting a notice in municipal offices and on the program website.

The Program affects only the electricity supply charges of the consumers. Delivery charges will be unchanged and will continue to be charged by National Grid in accordance with tariffs approved by the Commission.

Participants in the aggregation will receive one bill from National Grid that includes both the power supply charge of the Competitive Supplier and the delivery charge of National Grid. Any applicable taxes will be billed as part of the Program's power supply charge.

## **VII. ENTERING AND TERMINATING AGREEMENTS.**

The process for entering, modifying, enforcing, and terminating all agreements associated with the Plan will comply with the municipal charter and ordinances, federal and state law and regulations, and the provisions of the relevant agreement.

The Program plans to use the same process described in Section IV(a) of this Plan to solicit bids and enter into any subsequent ESAs with the assistance of its then-current aggregation consultant. Consumers will be notified of subsequent ESAs. The transfer of consumers from the existing supplier to the new supplier will be coordinated with National Grid using established EDI protocols.

## **VIII. RIGHTS AND RESPONSIBILITIES OF PROGRAM PARTICIPANTS.**

All participants will have the right to opt-out of the Program at any time without charge. They may exercise this right by any of the following: 1) calling the 800 number of the Competitive Supplier; 2) contacting National Grid and asking to be returned to Standard Offer Service; or 3) enrolling with another competitive supplier.

All participants will have available to them the consumer protection provisions of laws and regulations of Rhode Island, including the right to question billing and service quality practices. Consumers will be able

to ask questions of and register complaints with the Municipality, the Aggregation Consultant, the Competitive Supplier, National Grid and the Commission. As appropriate, the Municipality and the Aggregation Consultant will direct consumer complaints to the Competitive Supplier, National Grid or the Commission.

Participants will continue to be responsible for paying their bills and for providing access to metering and other equipment necessary to carry out utility operations. Participants are responsible for requesting any exemption from the collection of any applicable taxes and must provide appropriate documentation of such exemption to the Competitive Supplier.

## **IX. EXTENSION OR TERMINATION OF PROGRAM**

Prior to the end of the term of the initial ESA, the Program intends to solicit bids for a new supply agreement and plans to continue the program with the same or new competitive supplier.

Although the Program is not contemplating a termination date, the program could be terminated upon the termination or expiration of the ESA without any extension, renewal, or negotiation of a subsequent supply contract, or upon the decision of the Town Council or designee of the Town Council to dissolve the program effective on the end date of any outstanding ESA. In the event of termination, consumers would return to the Standard Offer Service of National Grid, unless they choose an alternative competitive supplier. The Program will notify consumers of a planned termination of the program.

The Program will notify National Grid of the planned termination or extension of the Program. In particular, the Program will provide National Grid notice: (1) 90 days prior to a planned termination of the program; (2) 90 days prior to the end of the anticipated term of the ESA; and (3) four business-days after the successful negotiation of a new electric service agreement. The Program will also provide notice to the Public Utilities Commission 90 days prior to a planned termination, which notice shall include copies of all media releases, Town Hall and website postings and other communications the Program intends to provide consumers regarding the termination of the Program and the return of participants to Standard Offer Service.

In the event of the termination of the Program, it is the responsibility and requirement of the Competitive Supplier to return the consumers to Standard Offer Service of National Grid in accordance with the then applicable EDI rules and procedures.

## ATTACHMENT 1: HISTORICAL OVERVIEW - PLAN DEVELOPMENT

### 1. Passage of authorizing resolution

On September 23, 2019 Town Council unanimously passed a resolution to authorize the initiation of an aggregation program. Below is the text of an email to the Town Manager from the South Kingstown Sustainability Committee on September 4, 2019 containing the resolution:

WHEREAS, the Town of South Kingstown is committed to promoting sustainable energy programs; and

WHEREAS, the State of Rhode Island has authorized municipalities, pursuant to Chapter 3, Section 1.2 of Title 39 of the General Laws of Rhode Island (the "Act"), to aggregate the retail electric load in their communities through the development and operation of Community Choice Aggregation (CCA) programs; and

WHEREAS, CCA programs provide the benefits of competitive choice of electric supplier, longer-term price stability and more renewable energy options to the residents and businesses of the Town of South Kingstown and other municipalities in Rhode Island.

WHEREAS, CCA programs can result in substantially lower electric bills for residential and commercial rate payers; and

WHEREAS, the process of establishing a CCA program is well defined under state law; and

WHEREAS, such a program must be initiated at the request of a municipal government; and

WHEREAS, the Town of South Kingstown Sustainability Committee has recommended that the Town begin the process of establishing a CCA program,

NOW, THEREFORE, BE IT RESOLVED, that the Town Council authorizes the Town Manager to develop and implement a plan to aggregate the retail electric loads within the Town through a CCA program in accordance with the Act.


BE IT FURTHER RESOLVED, that the Town Council authorizes the Town Manager to enter into contracts, consistent with state and local laws related to purchasing, implement such aggregation plan and CCA program independently, or in joint action with other municipalities in the state, and to execute all documents necessary to accomplish the same.

BE IT FURTHER RESOLVED, the Town Council authorizes the Town Manager to develop and implement an aggregation plan under which all eligible customers will be automatically enrolled in the program unless such customers opt-out of the program consistent with the requirements of the Act.

BE IT FURTHER RESOLVED, that the Town Council authorizes the Town Manager to engage a consultant with experience in developing and administering CCA programs to assist the Town in the creation and operation of an aggregation plan and CCA program provided that the Town shall not be required to draw upon the General Fund to compensate such consultant.

BE IT FURTHER RESOLVED, that the Town Manager and appropriate Town departments shall provide regular updates to the full Town Council regarding the development and implementation of the aggregation plan and CCA program.

And below is the resulting vote on that resolution, summarized in the September 23, 2019 meeting minutes:

**B.** Hannah Morini gives a presentation regarding the Sustainability Committee's request for adoption of a resolution authorizing the Town to establish a Community Choice Aggregation (CCA) program. 

Discussion ensues, and it is

UNANIMOUSLY VOTED: that an [email](#) dated September 4, 2019 from Angela Tuoni, on behalf of the Sustainability Committee, requesting adoption of a resolution authorizing the Town to establish a Community Choice Aggregation (CCA) program is received, placed on file, and the Town Manager is authorized to develop a plan to aggregate the retail electric loads within the Town through a Community Choice Aggregation (CCA) program in accordance with RIGL §39-3-1.2. Further, that the Town Manager and appropriate Town departments shall provide regular updates to the full Town Council regarding the development and implementation of the aggregation plan and CCA program.

**2. Signed agreement with Municipality's aggregation consultant**

On May 12, 2020 the Municipality selected aggregation consultant Good Energy, based on a competitive Request for Proposals process led by the City of Providence. The services agreement is included as **Attachment 4**.

**3. Creation of a Draft Plan**

Municipal staff developed a draft aggregation plan in concert with the aggregation consultant and completed a draft to be made available for public review on July 17, 2020.

**4. Public hearing on Draft Plan**

Municipality held a public hearing on July 27, 2020 to review and take comments on the draft plan. Municipality made the draft plan available for public review from July 17, 2020 to July 27, 2020. During this time the draft plan was available for review at South Kingstown Town Hall and on the Town Manager's page at <https://www.southkingstownri.com/281/Town-Manager>.

Prior to the hearing, Municipality published a notice of the hearing in Narragansett Times on July 17, 2020 and again on July 24, 2020.

**5. Response to public hearing**

Municipality reviewed comments made at the public hearing, which are logged in the Municipal Councils' records for the meeting. Based on the comments, Municipality [either: made the following substantive changes to the draft plan or elected not to make any substantive changes].

**6. Finalization of Plan**

The finalized Plan was presented to the Town Council which voted to approve the plan on Month Day, Year.

**7. Submission of Final Plan to Public Utilities Commission**

Municipality submitted the finalized plan to the Public Utilities Commission on Month Day, Year to seek the required regulatory approval.

## **ATTACHMENT 2: EDUCATION & OUTREACH PLAN DETAIL**

### **2-I. PROGRAM OPERATIONS: IMPLEMENT PUBLIC EDUCATION CAMPAIGN**

#### **2-I.A. INITIAL OUTREACH AND EDUCATION MECHANISMS**

The initial outreach and education will provide a description of the Program for Applicable Consumers and will be conducted via traditional print and TV channels, social media, a dedicated website, public presentations and personal communications to inform Applicable Consumers about the Program and will include a toll-free number. This effort will provide specific information about the Program and increase public awareness of the goals of the Program and the opt-out notification process.

If any Program materials were to reference cost savings for any part of the program this would also include a notice that the Program cannot guarantee that the Program will provide consumers with prices lower than the distribution utilities' Standard Offer Service rate over the full term of any supply contract entered into by the Municipality.

**Media Outreach:** Prior to the launch of the Program, media outreach will be initiated through local cable television shows, newspapers and social media to provide greater public education and to describe the Program, the opt-out process, the website and the toll-free telephone number. Outreach will include public service announcements (PSAs), scheduling interviews of Program spokespersons with local media outlets and securing a positive media presence.

A news release will be distributed to help achieve the aforementioned goals. Follow-up news releases will update the media on the status of the progress of the Program.

**Notices and Public Postings:** Brochures/flyers will be distributed in Municipal Offices describing the Program, the opt-out process and the toll-free telephone number will further reinforce the Program's details. Brochures/flyers will be placed in public buildings (i.e. library, Senior Center, etc.) which will create the necessary repetition of messages required to motivate consumer action and build awareness and understanding.

**Consumer Service Center:** The Program will maintain a toll-free telephone number to address Applicable Consumer's questions regarding the Program, deregulation, the opt-out process, price information and other issues Applicable Consumers may raise.

**Website:** All information regarding the Program will be posted on the Program's website, which is linked to the website of the Municipality. The Program website will have links to the website of the Local Distribution Company, the Public Utilities Commission and the Competitive Supplier.

**Public Presentations:** The Program will provide presentations to municipal officials and to interested community groups. Several public presentations are expected as detailed in the timeline and preliminary marketing plan below.

## 2-I.B. CONSUMER NOTIFICATION LETTER

The consumer notification letter will be sent via standard mail to the billing address of each Applicable Consumer on Standard Offer Service. The notification envelope will be clearly marked as containing time sensitive information related to the Program. The notification will contain a letter describing the Program as detailed in Section IV.B of the aggregation plan.

A sample consumer notification letter, reply card and envelope are included in **Attachment 3**.

## 2-I.C. TIMELINE AND PRELIMINARY MARKETING PLAN

The preliminary marketing plan identifies the steps the Program may take to inform the community about the Program using the initial education and outreach mechanisms and consumer notification letter. The schedule is designed to work towards the date when the consumer notification letters (CNL) will arrive in consumer mailboxes:

From estimated date Consumer Notification Letter arrives in consumer mailboxes		
Action	Days before	Days after
Website launch	60	Ongoing
Work with local media resources	60	30
Active social media outreach	30	30
In person presentations	30	30
Distribute marketing materials	30	30
Consumer help line	30	Ongoing
Mail post-card to all Applicable Consumers	15	
Consumer notification Applicable Consumers	0	

The Aggregation Consultant will lead all aspects of the outreach and education outlined below for the Program, unless instructed otherwise by the Municipality. The Aggregation Consultant will coordinate with the Municipality for direction on and approval of all materials and messaging.

### Consumer Website Launch

- **CNL -60.** Once launched, website is maintained for the entire duration of program.
- **Website:** The Program will develop and manage an informational website with features that include program details, an online savings calculator and enrollment, opt-up and opt-out forms for the convenience of participants.

### Work with All Local Media Resources:

- **CNL -60 through CNL +30**
- **Narragansett Times & The Independent:** As the Town's dominant news outlets, the *Narragansett Times* and *The Independent* will be especially important in the dissemination of



accurate and timely information about the aggregation program. As part of this targeted outreach to these papers, the Program will seek a meeting with the editorial boards and key reporters to discuss featuring a story on the program and to set a good foundation for continued dialogue over the course of the program.

- **Press Releases:** Develop press releases to send to:
  - Other papers include: Providence Journal
  - TV stations such as WPRI Channel 12 (CBS), WJAR 10 (NBC), WLNE 6 (ABC), and WNAC (FOX) ; and
  - Radio stations: 89.3 FM (RI Public Radio)

The Program will prepare municipal staff or volunteers for interviews that may result from press releases.

#### **Set Up Consumer Help Line**

- **CNL -30.** Once set up, the consumer help line will remain in effect for the entire program.
- **Aggregation Consultant & Supplier Help Lines:** Set consumer help lines with the competitive supplier and Aggregation Consultant to answer consumer inquiries.

#### **Social Media outreach, In-person Presentations and Flyers and Other Collateral**

- **CNL -30 through CNL +30:**
- **Social Media:** The Program will boost all traditional media coverage on social media platforms, with the goal of driving traffic to the Program's dedicated website. In concert with the Municipality's communication leads, develop a campaign of numerous planned tweets and Facebook posts, timed to coincide with important milestones in order to keep ratepayers informed, particularly those that may not interact with traditional media on a regular basis. Draft content and graphics to accompany the posts, to be posted by Municipality staff.

Municipal social media accounts to use are:

- Municipal Facebook: Town of South Kingstown

The Program will monitor various channels including Facebook and Twitter for relevant conversations and questions about the program. Draft responses to comments and questions and utilize social media as a critical tool in engaging with members of the community. The Program will work with members of the Sustainability Committee that may be interested in using their personal social media to promote awareness and answer questions.

The program will identify key social media influencers in the Municipality, including lawmakers, advocates and reporters. Develop a spreadsheet of the social media handles/accounts and reach out to them to keep them informed about the aggregation program. Important groups already identified:

- Facebook: Our Town South Kingstown
- **In-person presentations**
  - **Local Groups:** Connect with local groups and associations to see if representatives of the

Program can participate in an upcoming meeting or offer to host a dedicated event. Seek their assistance in identifying how to best connect with consumers with limited-English capabilities or disabilities that may prevent them from accessing Program information.

Example associations include:

- Downtown Merchants Association
- South Kingstown Parent Teach Group
- Southern RI Chamber of Commerce

- o **Municipal Meetings:** Present or provide materials for the Town Council meetings, any constituent meeting they may have, and the Sustainability Committee Meetings.
- **Distribute flyers and collateral:** Many groups may have a natural interest in promoting awareness about the program and can be provided with electronic and hard-copy materials with reference information for the program. Also, the Program will reach out to specific businesses that have high traffic and may be interested in supporting awareness about the Program.

Example groups include:

- Elected officials
- “Local Groups” listed above

Example businesses include:

- Brickley’s Ice Cream
- Green Line Apothecary
- Del’s Lemonade

Distribute to key locations such as Public Libraries (Peace Dale, Robert Beverly Hale, and Kingstown Free), Community Recreation Center, and Town Hall.

#### **Mail Postcard to All Applicable Consumers**

- **CNL -15**
- **Post card:** The Program will mail a postcard prior to sending the consumer notification letter. The postcard establishes that there is a community-sponsored aggregation program and increases the likelihood that recipient engages with the more detailed consumer notification letter.

#### **Consumer Notification Letter Arrives in Mailboxes**

- **CNL 0**
- **30-day opt-out period begins**

## **2-II. PROGRAM OPERATIONS: ONGOING OUTREACH AND EDUCATION**

The Program intends to continue outreach and education for consumers after enrollment in the aggregation program, particularly with respect to changes in offerings and prices, which will be posted on the Program website that is linked to the website of the Municipality. The types of information the Program expects to communicate through the continuing education efforts include: revisions to programs

and prices; responses to frequently asked questions; Program goals and performance; rights and procedures for Program participants; contact information for consumer inquiries and details regarding the Program's electric supply and renewable attributes. In addition to the websites, outreach and education may also be provided through: bilingual public service announcements; bilingual interviews with local media outlets; bilingual news releases in local media; notices in newspapers; public postings in municipal offices and other public buildings (i.e. library, Senior Center, etc.) where residents may meet for municipal events; presentations to municipal officials and interested community groups; and information disclosure labels posted quarterly on the Program website.

**ATTACHMENT 3: CONSUMER NOTIFICATION LETTER, REPLY CARD & ENVELOPE**



# Town of South Kingstown

## Community Electricity Aggregation Program

[Date - Georgia Bold]

Dear South Kingstown Electricity Customer,

The Town of South Kingstown is launching South Kingstown Community Electricity Aggregation (South Kingstown CEA) which will provide new town-vetted options for electricity supply. National Grid will continue to deliver your electricity, however the electricity supplier will be chosen by South Kingstown through a competitive bidding process that leverages the bulk buying power of our community.

You are receiving this letter because you currently receive Standard Offer Service electricity supply from National Grid. **You will be automatically enrolled in South Kingstown CEA “Smart Energy”** as of the [Month & Year] electricity meter read, unless you choose one of our optional products or choose to opt out. **If you choose to opt out you must mail and postmark the enclosed opt out card on or before [month/day/year] to avoid automatic enrollment in South Kingstown CEA.** Please read on to learn more about South Kingstown CEA!

— Robert C. Zarnetske, Town Manager

## SOUTH KINGSTOWN CEA GOALS



### Price Stability

South Kingstown CEA has a fixed price for XX months: from MM-YYYY through MM-YYYY. In contrast, National Grid Standard Offer Service prices change every 6 months for residential and commercial customers and every month for industrial customers, and thus may be above or below the South Kingstown CEA rate in any subsequent period.



### Local Renewable Energy

South Kingstown CEA's standard product includes XX% more local renewable energy, known as Rhode Island New (RI New), than required by the State. This means you have cleaner electricity and you are helping to support the growth of renewable energy in our region. We have optional products that have even more renewable energy, too.



### No Obligation

South Kingstown CEA allows participants to leave the program at any time without penalty.



### Electricity Choice

South Kingstown CEA offers four different electricity supply choices. These products are provided by the electricity supplier, **SupplierName**, selected by South Kingstown through a competitive bidding process.

Esta notificación contiene importante información sobre su electricidad en la Ciudad de South Kingstown. Esta notificación está disponible en Español en [YourTownCEA.com](http://YourTownCEA.com). Si tiene cualquier pregunta por favor llame al XXX-XXX-XXXX.

**To opt out before South Kingstown CEA begins, do one of the following before [month/day/year]:**

Mail and postmark the enclosed, postage-paid opt out card included with this letter

Call [SupplierName] at xxx-xxx-xxxx,

OR

Submit the Opt Out form online at [xxxxxx.com](http://xxxxxx.com)

## SOUTH KINGSTOWN CEA OPTIONS

### Standard Product:

1

**Smart Energy:** This is the standard product that you will be **automatically enrolled in** if you do nothing. It includes 10 (ten) percent more local renewable energy (RI New) than required by State law. **This product helps you be a climate leader, while still focusing on competitive prices.** The goal for this product is to be equal to or lower than the average National Grid Standard Offer Service rates over YourTown's contract term.

**Optional Products:** South Kingstown CEA also offers three optional electricity products, each with differing amounts of renewable energy relative to State requirements. To enroll in any of these optional products, you must contact the supplier, **SupplierName**, at XXX-XXX-XXX or [XXXXXXX.com](http://XXXXXXX.com)

2

**Smart Energy Plus Plus:** This is an **optional product**. It includes one hundred (100) percent more local renewable energy (RI New) than required by State law.

3

**Smart Energy Plus:** This is an **optional product**. It includes fifty (50) percent more local renewable energy (RI New) than required by State law.

4

**Basic:** This is an **optional product**. It includes **no more** of local renewable energy (RI New) than required by State law.

## SOUTH KINGSTOWN CEA PRICING

	Electricity Supply Product	Renewable Energy Above State Requirements	Residential	Commercial	Industrial	Price Period
<b>South Kingstown CEA:</b>	<b>Smart Energy (standard)</b>	X% RI New	\$X.XXXX/kWh	\$X.XXXX/kWh	\$X.XXXX/kWh	<b>Month/Year – Month/Year</b>  Rates apply to service beginning and ending on the days of the month that your meter is read
	<b>(optional) Smart Energy Plus Plus</b>	100% RI New	\$X.XXXX/kWh	\$X.XXXX/kWh	\$X.XXXX/kWh	
	<b>(optional) Smart Energy Plus</b>	50% RI New	\$X.XXXX/kWh	\$X.XXXX/kWh	\$X.XXXX/kWh	
	<b>(optional) Basic</b>	None	\$X.XXXX/kWh	\$X.XXXX/kWh	\$X.XXXX/kWh	
<b>What You Have Now:</b>	<b>National Grid Standard Offer Service</b>	None	\$X.XXXX/kWh	\$X.XXXX/kWh	\$X.XXXX/kWh	<b>Month 1, Year - Month 31, Year</b> Residential and Commercial*  <b>Month 1, Year - Month 31, Year</b> Industrial*
<p><b>*No guarantee of savings.</b> National Grid Standard Offer Service rates for electric supply change every six months for Residential and Commercial customers and every month for Industrial customers. National Grid Standard Offer Service rates may be above or below the South Kingstown CEA rates for customers during any subsequent period. Program prices could also increase as a result of a change in law that results in a direct material increase in costs during the term of the electric supply contract.</p> <p><b>Rates indicated above are for Supply Services only.</b> Administrative adder for all South Kingstown CEA products are included in above rates. This fee is \$0.001/kWh for the aggregation consultant. The South Kingstown CEA rates also include taxes which are billed as part of the power supply charge.</p>						

## SOUTH KINGSTOWN CEA PARTICIPATION

To enroll in South Kingstown Smart Energy, you do not need to take any action! To enroll in an optional South Kingstown CEA product, contact the supplier [SUPPLIER NAME] or use the online form at YourTownCEA.com. If you don't want to participate, mail and postmark the enclosed opt out card on or before [month/date/year] to avoid automatic enrollment in South Kingstown CEA.

**Budget Plan or Eligible Low-Income** delivery rate consumers will continue to receive those benefits from National Grid. **Solar Electricity Consumers** will not be impacted and will continue to receive all net metering credits and Renewable Energy Growth program payments while participating in the Program.

**You can leave the Program anytime** after you've enrolled, with no early termination fees! There is no penalty charge for leaving Standard Offer Service, however, Industrial customers leaving fixed price Standard Offer Service may receive a billing adjustment that may be a credit or a charge. If you leave the program, your account(s) will be returned to National Grid's Standard Offer Service on the next meter read.

**How to access information about Standard Offer Service:** call (401) 780-9700 or visit <http://www.ripuc.ri.gov/utilityinfo/electric/narrelecschedule3a.html>.

**If you are receiving electricity supply from a competitive supplier and believe you have received this opt out letter in error, you must sign and return the enclosed opt out card.** This will ensure you continue to receive your electricity from that competitive supplier and prevent any possible early termination fees.

**Tax-exempt small business customers** must provide a copy of their Energy Exemption Certificate directly to XXXXXXXXXX via email at xxxxxx@xxxx.xxx, fax xxx-xxx-xxxx, or mail at XXXXX in order to maintain their tax exempt status.

## CUSTOMER SUPPORT & MORE INFORMATION

For more information:

Visit **YourTownCEA.com** or call XXX-XXX-XXXXX

To select an optional South Kingstown CEA product or to opt out of the program, please, contact [SUPPLIER NAME] at: xxx-xxx-xxxx between 9AM – 5PM, email at [xxxxxx@xxxx.xxx](mailto:xxxxxx@xxxx.xxx), fax at xxx-xxx-xxxx or mail at 123 Main St Wonderland, AB, 12345.



## Town of South Kingstown

c/o [Supplier Name]

[Supplier Address]

[city][state], [XXXXX]

Presorted  
Standard  
**U.S. Postage**  
**Paid**  
XXXXX  
XXX

### Current Resident Name

1234 Main St  
South Kingstown, RI, 12345

**Phone:** Supplier Phone Number

**Fax:** Supplier Fax number  
[supplier@email.com]

**CUSTOMER OPT OUT NOTIFICATION Do not discard! This is not a solicitation! Time-sensitive notice regarding electric supply rates on behalf of the Town of South Kingstown.**

# Opt Out Reply Card



**South Kingstown**  
Community Electricity Aggregation  
Program

**Current Resident Name**  
1234 Main St  
South Kingstown, RI, 12345



Signature

Date

If you wish to participate in the South Kingstown Community Electricity Aggregation (CEA) program, you do not need to take any action. You will be automatically enrolled.

## Opt Out Instructions

### If you do not want to participate:

1. Sign and date this card
2. Insert into postage pre-paid envelope
3. Mail envelope

The card must be signed by the customer of record whose name appears in the address on this card.

**The envelope must be mailed and postmarked on or before [month/date/year] to opt out of the program before automatic enrollment.**



**ATTACHMENT 4: GOOD ENERGY SERVICES AGREEMENT**