

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.