



Melrose Community Electricity Aggregation program update

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The following was submitted by Martha Grover, Energy Efficiency Manager for the city of Melrose:

As you know, National Grid is the electric service utility for Melrose. National Grid electric bills are made up of two parts: Delivery rates, which are set by the Department of Public Utilities, and Supply rates. A competitive market exists for the supply portion of electric bills and ratepayers have a choice of suppliers including the default option which is called Basic Service from National Grid.

In December 2015 the City of Melrose launched a Community Electricity Aggregation (CEA) Program that offers an electric supply choice to eligible residents and businesses. The Melrose CEA Program provides both price stability and an affordable investment in local renewable energy that is five years ahead of the rest of the state. In January 2016 all eligible account holders were enrolled with the selected supplier, Constellation New Energy, unless they opted out.

The CEA program has been successful for the past 18 months, offering savings, consumer protections, and a trusted choice among many available on the market. One of the unexpected benefits has been increased public awareness and understanding of electric bills. Melrose residents also contributed to the development of new renewable energy projects in our state, which makes us all healthier, our air cleaner, and Massachusetts much less reliable on importing fossil fuels from out of state. It's been a win-win.

After a recent analysis of current rates the City determined that the best option for Melrose ratepayers is the National Grid Basic Service supply rate. As of July, all accounts currently enrolled in the Melrose Program will be automatically switched to the National Grid Basic Service fixed supply rate of 9.432 cents per kilowatt hour. No action is required as the switch is automatic and will appear on National Grid electric bills received in August. National Grid supply rates will change again on Nov. 1.

Electric consumers in what's called the Northeast Massachusetts (NEMA) load zone where Melrose is located can expect rate increases over the next twelve months or more. The reason for the price increase is due to something called "capacity cost," which is a component of what everyone pays for electricity supply. It is a reliability charge from power generators that guarantees there's enough electricity to meet demand on the hottest and coldest days of the year in our region.

For at least the next year capacity costs in the NEMA load zone will more than double in price which represents over 30 percent of the overall supply rate.

When procuring supply bids for the Melrose CEA Program, bidding suppliers offer rates based on the NEMA load zone Melrose is in. By contrast, National Grid is able to provide an average of supply rates from across the state and can blend the 7 cent/kWh rate in Western Central MA (WCMA), the 9 cent/kWh rate in Southeast MA (SEMA), and the 11 cent/kWh rate in NEMA.

As a result, the best option for most rate payers is to take advantage of National Grid's ability to offer a blended rate. The City plans to continue the aggregation program in late 2018 after the current NEMA rate spike ends.

Now is a good time to take advantage of MassSave incentives in order to save as much electricity and heating fuel as possible because the cheapest energy is the energy not used. Insulation, energy efficient lighting, heating system upgrades, and other measures can have a significant impact on energy savings. Call HomeWorks Energy at 781-305-3319 to schedule a no-cost MassSave home energy assessment.

Residents who wish to green their electricity and purchase additional renewable energy on top of the 12 percent required by the state can do so by joining Mass Energy's New England Wind or Green Start programs at <https://www.massenergy.org>.

Questions? Contact Melrose Energy Efficiency Manager Martha Grover about the Melrose CEA Program or about MassSave's energy efficiency incentives for residents and businesses at 781-979-4195 or mgrover@cityofmelrose.org.

Customers beware of purchasing

Melrose consumers should continue to be aware of aggressive sales tactics by suppliers going door-to-door or on the phone. Do not provide an electric account number or say yes to any offers unless the rates and contract terms are clear and agreed upon.

When considering an electricity supply offer, avoid variable rates, contract termination fees, and claims of “green power” that come from out of state and provide no local benefit. Consumers should know that National Grid does not call customers to offer discounts and beware of any callers who imply they are calling from National Grid.

