

On behalf of the City of Newton, I made two important decisions recently about electricity purchasing, one about Newton Power Choice, the City's municipal aggregation program, and the other about the City's contract for its own electricity.

Newton Power Choice

First, I signed a new three-year Newton Power Choice contract for the City's electricity customers that includes 80% local renewable sources such as wind and solar as the standard for our Newton Power Choice electricity supply. Our prior contract provided 62% "green" power as the standard as of this year.



Since the current Newton Power Choice contract ends in January 2021, we needed to go out to bid this month. We bid the contract competitively. I considered a variety of factors in making the decision about the contract length and the percentage of renewable power. Climate change is a dire threat to the planet. Equally true is that many of us are under extraordinary financial pressure, evidenced in many ways, including unemployment in Newton more than triple the levels from a year ago and high demand at our food pantries and Grab and Go meal sites.

I wanted to find the right balance between, on the one hand, addressing climate change and moving Newton forward to higher renewable levels and, on the other hand, not having our residents opt out of our program because of the higher price, and fully considering the challenges faced by those who are struggling financially.

The new contract's 80% level puts Newton right on target to meet our emissions goal; Newton's [Climate Action Plan](#) calls for Newton Power Choice to achieve 100% "green" power in 2025.

Eighty percent (80%) "green" power, the "standard" level in our new contract, is the amount of electricity customers will purchase automatically. Newton Power Choice will continue to offer our electricity customers other choices: (1) to opt up to 100% renewables, (2) to opt down to the amount of renewables mandated by the State (18% in 2021), or (3) to choose Eversource Basic Service (also at 18% in 2021). There is never a fee associated with exercise any of these choices. At any time, any of us can rejoin or leave the program, opt up to 100%, or opt down. And, please take note: no action will be required of current Newton Power Choice customers. They will be enrolled in the parallel option under the new contract.

How can you opt up to 100% or opt down to a lower price? Call 833-272-9592.

(Photo: New solar canopies on the Walnut Street side of Newton North High School, a component of the City's own solar power generation program.)

Under the current Newton Power Choice contract, the median Newton customer at the "standard" level of 62% "green" power in 2021 would have paid \$131.63 per month for electricity. At our new 80% "standard" level, that same customer will pay \$143.25 per month for electricity. A customer who chooses to opt down to purchase only the amount of "green" power required by the State (18% in 2021) through Newton Power Choice will pay \$127.81 per month. The customer who opts up to the all "green" 100% through Newton Power Choice will pay \$148.23 per month.



In summary, for residents using the median level of electricity at the standard level of 80% “green power,” costs for electricity will increase next year by \$11.86 a month or \$142.32 for the year.

Another way of looking at the new contract is that it has a price per kilowatt hour for customers of 13.452 cents at the “standard” 80% level, starting in January, and staying stable at that rate for three years.

Eversource has not yet announced its prices for 2021. Eversource’s Basic Service prices change every six months for residential and small business customers and every three months for larger business customers. Typically, the Eversource prices are higher for the January-June period than the July-December period. Right now, Eversource’s July-December 2020 Basic Service price for residential customers is 9.88 cents per kWh, and its Basic Service price for January-June earlier this year was 12.52 cents per kWh.

I want to point out three more things:

- The price of renewable, “green” energy (i.e., Renewable Electricity Credits or RECs) has gone up significantly and is four times higher than two years ago. This accounts for the increase in customers’ bills in this Newton Power Choice contract. Notably, approximately 90% of our electricity costs has nothing to do with “green” power and instead is attributable to the overall cost of electricity and to Eversource’s delivery charge (which alone is 48% of the total cost).
- Newton’s low-income customers use less electricity on average than other customers, and also qualify for the low-income, or R2, electricity rate. As a result, the median low-income customer in Newton at the “standard” level currently pays \$64.33 per month for electricity. At the new 80% “standard” level, that same customer will pay \$70.01 per month for electricity. That same low-income customer who chooses to purchase only the amount of “green” power required by the State will pay \$62.47, and the low-income customer who opts up to 100% will pay \$72.44. Also, customers who qualify for the low-income electricity rate also receive a reduction in their electricity bills of approximately \$4 per month under Newton’s low-income solar program.
- I am using “median” customer to analyze the impact of the new contract on a bill. The “median” Newton customer uses 550 kWh of electricity per month (with the median low-income customer using 420 kWh per month). By contrast, the “average” Newton customer uses 687 kWh per month (with the average low-income customer using 515 kWh per month). For the first Newton Power Choice contract, we used 730 kWh per month for what we called the “typical” customer; the City had been using 730 kWh previously and we stuck with that figure even though it was higher than the median or average. We are moving now to the use of the median, as it provides a more accurate understanding of bill impacts. (Most of Newton’s residential customers’ electricity usage amounts are clustered around the median but we have some very high electricity users, which pushes up the average.)

At 80% “green,” Newton will continue to lead the Commonwealth with the Newton Power Choice program. Of the more than 50 cities and towns with municipal aggregation programs that provide electricity from renewable energy sources above the amount mandated by State law, none provides an amount of local renewable electricity comparable to the 80% in this new Newton Power Choice contract. The closest are Brookline, Watertown, and Lowell, at 46%, 51%, and 61%, respectively, all of which include this year’s 16% State mandate.

For energy experts out there, please know that Newton's purchase of renewable power is entirely "Class I" Renewable Energy Credits, which is mostly wind and solar power. Newton has also specifically excluded biomass from its "green" power purchase.

(Photo: MWRA wind turbines at Deer Island Wastewater Treatment Plant.)

Municipal Aggregation

Newton Power Choice is a municipal aggregation program under State law, which allows Newton to choose the electricity supplier for electricity customers within its borders, rather than having the local utility – Eversource, in the case of Newton – buy the electricity. The program provides for a "standard" percentage of renewable power (now, for Newton, 80%), which is the amount of renewable power specified in the City's contract for electricity customers who do not opt out of the program. This "opt-out" aspect of the program is part of all municipal aggregation programs, as a matter of State law.



With Newton Power Choice, Eversource continues to deliver the electricity; customers continue to contact Eversource if their power goes out; and Eversource continues to bill customers. The difference is that Newton now selects the supplier of the electricity for customers rather than leaving it up to the utility, and customers have options regarding the amount of their renewable electricity purchase. Also, customers can feel secure that this is a City-vetted program, as opposed to the solicitations they receive from competitive suppliers of electricity. Customers can exercise their options online or by phone, with specific information to be provided shortly.

If you are on a tight budget, there are opportunities for financial assistance with electricity bills. Customers with low incomes may qualify for Eversource's low-income rate, which provides a discount of approximately one-third. These customers may also qualify for a reduction in their electricity bills from Newton's low-income solar program, providing approximately \$4 per month off the median low-income electricity bill. You can contact Eversource about payment plans and financial assistance programs: <https://www.eversource.com/content/ema-c/residential/my-account/billing-payments/help-pay-my-bill>.

The most important thing all customers can do to lower their electricity bills is to take advantage of the energy efficiency programs offered through the State's MassSave program: <https://www.masssave.com/en/saving>.

City Contract for its Own Electricity

I made a second decision this week about electricity purchasing, about the City's contract for electricity for our own facilities. The current municipal contract, which expires in November 2020, includes 5% Class I RECs above the current 16% State requirement for 2020. The new contract will be for four years, with 10% Class I RECs (plus the State requirement of 18% in 2021) in the first 12 months. For year two, I am committing now to an open process, including community input, early next fall to decide whether to increase the purchase of green energy by an additional 5%, or to spend that money (approximately \$46,000 for one year at today's Class I REC prices) for additional energy efficiency measures in City buildings or for increased staffing of the Energy Coach role. We can decide at that time what the highest and best use of that investment will be in advancing Newton's goal of carbon neutrality by 2050.

I'm grateful to Ann Berwick and Bill Ferguson, our co-Directors of Sustainability, for helping me make this decision and to the many Newtonians who emailed or called encouraging us to continue to lead the Commonwealth in transforming our supply of electricity to wind and solar.