

COMMUNITY CHOICE AGGREGATION FREQUENTLY ASKED QUESTIONS

What is Community Choice Aggregation: Community Choice Aggregation (“CCA”) is a program in New York that empowers eligible municipalities’ entities such as villages, cities, and towns to create large buying groups of residential and small commercial electricity accounts in order to seek bids for cheaper supply rates, essentially bulk-purchasing. CCA programs got their start with the Community Choice Aggregation Order passed by the New York State Public Service Commission on April 20 2016. The purpose of the CCA Order was to ensure that the benefits of energy deregulation were passed onto residential customers and small businesses by providing the ability to “aggregate” their accounts within their municipal boundaries in order to obtain competitive bids from Energy Suppliers (“ESCO”). Grouping residential accounts together creates economies of scale, enabling participating Governments to achieve greater savings for account holders as a whole, in contrast to what could normally have been achieved by the individual customer. “More importantly, the CCA construct provides substantial positive opportunity for meaningful and effective local and community engagement on critical energy issues and the development of initiative programs, products, and services that promote and advance the achievement of the state’s energy goals. CCA programs can educate, encourage, and empower communities and individuals to take control of their energy future through engagement with existing REV and CEF opportunities and development of new DER and clean energy programs.”

What are the benefits of Community Choice Aggregation? The key benefit of CCA is the opportunity for residents to save money on their electric bills. This is based on market conditions and the utility region in which one resides.

How does Community Choice Aggregation work? First, the municipality must vote on and pass a local law authorizing a Community Choice Aggregation program. The municipality will then seek bids from ESCOs to obtain competitive electricity rates for participants. A resident will be able to Opt-Out of the CCA program without penalty, in most cases, if they so choose.

How does Community Choice Aggregation impact my electricity bill? The impact of Community Choice Aggregation is primarily savings. Participants will see no change in their delivery rate, but a reduction of their supply rate. They will continue to receive a single bill, make one payment, and continue to receive all other services from their respective utility.

What if I’ve already chosen an ESCO? If a customer is already purchasing their power from a ESCO, they are initially ineligible to take advantage of the Community Choice Aggregation rate. A resident can, however, Opt-In to the CCA program and receive a price reduction, though early termination of a contract with the existing ESCO may result in early termination fees. Be sure to check the terms and conditions of your existing ESCO contract.

When will the Community Choice Aggregation go into effect? Each Community Choice Aggregation program will have its own timetable. Due to time requirements for task completion as specified by PSC Order, several months are required to faithfully complete all stages in the CCA process. This program starts in July depending on monthly meter reads.

What do I need to do in order to participate? If you are currently being served by your local utility, you do not need to do anything. You will automatically be included in the program unless you Opt-Out (see next question).

Do I have to participate in the Community Choice Aggregation program if I don’t want to? No. Residents can Opt-Out during a 30-day Opt-Out period. Opt-Out notices will be provided via USPS mail prior to the program commencing. Simply return the Opt-Out notice within 30 days and your account(s) will not be included. Participating account holders may leave the program at any time and without penalty. There are different ways that you can opt-out of the program. One way is to mail the opt-out card back to the supplier. Another way is to call or email the supplier and clarify you want to opt-out. Opting-out can also be done through the program website.

What part of my electricity bill will this program affect? Your electricity bill has two cost components – delivery and supply. A CCA program only changes the supply component of your bill. In the final analysis, approximately 50% to 65% of the electricity bill will be impacted. The delivery portion of your bill will not be affected. Your energy bill has two cost components- delivery and supply. The aggregation program only changes the supply component on your bill. The delivery portion of your bill is regulated and will not be affected

When will I begin seeing a reduction in my electricity bill? Participants will receive their electric utility bills with newly negotiated lower rates beginning approximately 90 days after they receive the Opt-Out notice. “Initial enrollment usually takes place 60 days after a municipality elects an ESCO and signs an energy agreement. Remember, one service actually begins under the program, you won’t see any changes on your utility bill until the following month for the previous month’s services” (NYM EP). Remember, the new rate will reflect service received for the previous month, i.e., if service begins in June, your utility bill will not reflect the new rate until July for the previous month's service.

Under CCA, can I continue to participate in my utility’s budget billing/equal payment plan? Yes!

Will the Community Choice Aggregation program include both electricity and natural gas? Yes. The order allows the aggregation of both electricity and natural gas. But this is just for electric for now.

What if I choose to leave the program early? Residents who are enrolled in the program may terminate their participation at any time without early termination or exit fees.

How will I be notified that my account(s) was successfully enrolled in the Community Choice Aggregation program? Each residential customer will receive a written notification after the bid informing them of the winning supplier price, estimated savings as compared to the local utility, and the account holder’s right to Opt-Out. In addition, after the 30-day Opt-Out period has ended, each resident will receive a letter from their utility confirming enrollment and that supply service will soon be switched to the winning supplier.

Can businesses participate in the program? Yes. The CCA Framework Order only defines service classes eligible for opt-out enrollment. SC1 and SC2 rate classes are eligible for Opt-out.

Will I have a fixed or variable rate? The secured rate in the CCA program will remain fixed for a known period, approximately 12 to 48 months. During this period, the rate will NOT change. No variable or teaser rates will be included in the bid specifications. This program's specific contract terms is 17 months. Go to www.greenecountycommunityenergy.com for specific details.

How are we sure that a competent and reputable supplier will be selected? Only ESCO who have met the requirements of the UBP and are licensed by NYS, PSC, as well as met the CCA-Administrator- GE requirements will be eligible to bid. In addition, an in-depth request for proposal is disseminated by Good Energy to interested ESCO requiring them to provide their qualifications. Among other things, the request requires suppliers to demonstrate financial strength, experience, as well as customer service capabilities.

Will my utility be eligible to bid? No. By law, utilities are not permitted to bid. With regard to supply, the utility only provides default service they are not an ESCO. The utility will always be responsible for delivering your energy.

How long will the contract term be for? The contract term will be between 12 and 48 months. The final term will be based on the most favorable price and will be selected by the municipality's governing body.

Do I have to sign a contract? No. There is no contract to sign. The program is designed to be as easy as possible for participants.

If I Opt-Out, can I opt back in at a later date? Yes, you can opt back in to the program at any time and you will see the change to your bill after one billing cycle. One billing cycle, or 30 days, will elapse to allow for processing of the account(s) by the supplier.

After the program is up and running, who do I contact to Opt-In? Once the program is underway, details about how to Opt-In to the program will be posted on the municipality's website. In general, however, it will always be expedient to contact the selected supplier directly. That contact information is on www.greenecountycommunityenergy.com.

What if I have a photovoltaic or solar panel system? Having a solar system which allows you to earn net metering credits, e.g., Solarize (New York), does not preclude you from participating in the aggregation program. As long as the account holder is receiving supply from the utility, they are able to participate in the aggregation program and will continue to receive new metering credits from the utility. Net metering will function in the same way as before you joined the CCA program. Your net metering credits will continue to appear on your utility bill and will continue to be calculated based on utility's Basic Service price

Who do I call if there is an outage or issues with my electricity bill? Service and billing questions will continue to be directed to your local utility. Utility contact information can be found on your bill. Questions regarding CCA ESCO billing portions can be answered by the CCA customer service. In most cases, the utility will direct you to contact ESCO for questions about ESCO charges.

Will the utility take longer to restore my electricity if I am with an ESCO? No. The delivery of your electricity is always the responsibility of the utility. As a result of energy deregulation in 1999 in New York, utilities are only able to collect revenue from delivering the power to your meter, not from the actual supply.

I am currently receiving offers from ESCO promising lower electricity rates, or, I am already in contract with a ESCO. What should I do? Accounts receiving supply from a ESCO are initially excluded from the program. Those account holders will not receive an Opt-Out notice. However, consumers who are currently in contract with a ESCO and may want to terminate their contract early, or for those considering switching to a ESCO before a Community Choice Aggregation program is available, should review, at a minimum, the following language in the ESCO offer/contract:

1. Price/kWh;
2. Contract length: many ESCO require a minimum one year contract, while only offering a fixed price for the first six months. It is important to determine what happens to the offer rate at the end of the first six months. Some ESCO do not define this in their offers;
3. Depending on the contract term, a customer may be prevented from getting the aggregation rate until the contract ends;
4. Early termination fees;
5. Pricing terms which take effect at the end of the agreed upon fixed rate (as mentioned above in #2 and/or at the end of the term), etc.;
6. One bill or two? Under the CCA program, participants will still receive only one monthly bill and make only one payment to their respective utility. Some ESCO do not have this provision, meaning customers may receive their regular bill from their respective utility and a separate bill from the ESCO.

Does my municipality earn a fee from the program? No the municipality makes no fee.

What administrative functions will the municipality be performing related to this program? The municipality will not have any administrative function other than to review and ensure that all accounts within municipal boundaries are given the opportunity to participate. The CCA Administrator will be responsible for managing the program and keeping the municipality appropriately informed.

How can I get more information about the Community Choice Aggregation program? Various public meetings and information sessions will take place in your area. Please check for announcements from your municipality and local news outlets. The municipal website may feature all materials related to the CCA program as they become available.

Who is Good Energy? Good Energy, LP is a New York based energy management and consulting firm that has been running large and small Community Choice Aggregation programs in various states across the country. The company has been around since 2000, and has partnered with municipalities to design and operate CCA programs. Good Energy is headquartered in New York City and is currently the retained CCA Consultant for close to 300 CCA communities across the US.