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Cambridge Community Electricity 2024-2025 Program Structure

June 12, 2023

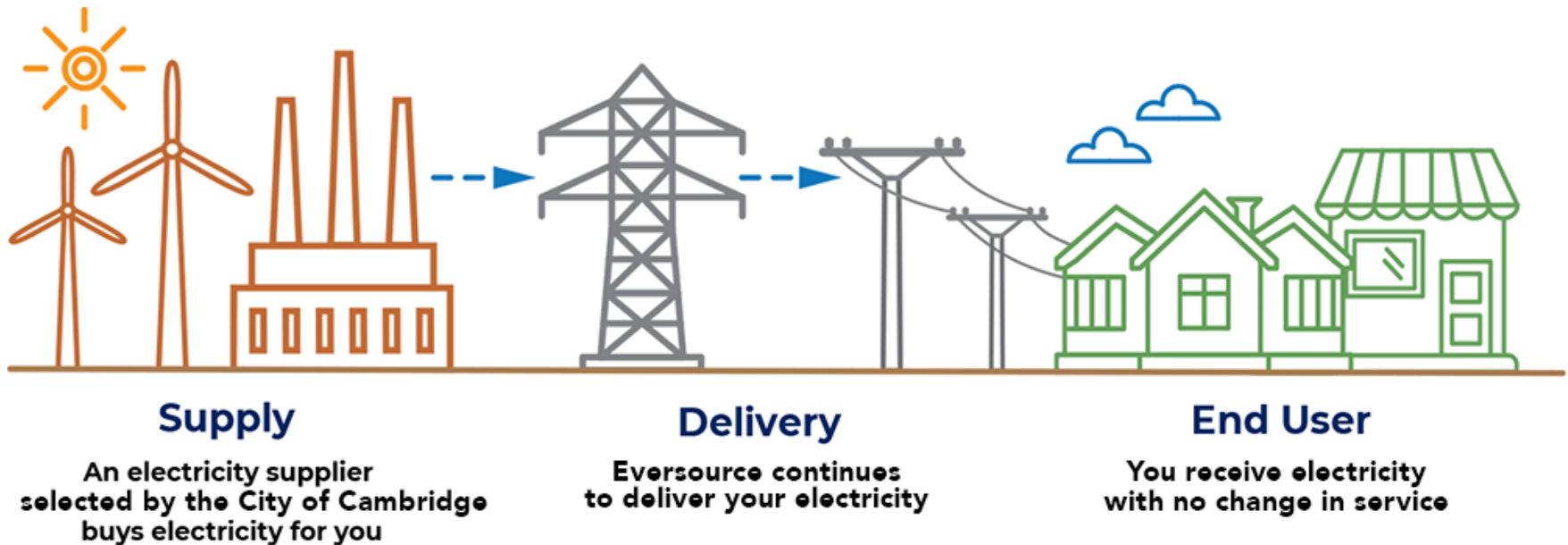
Council Meeting: City Manager's Agenda

Executive Summary

- The City's municipal aggregation program, Cambridge Community Electricity (CCE) has given customers consumer protection, a fixed price, and created a mechanism for the City to advance its climate goals
- ~80% of Cambridge electricity accounts are enrolled in CCE, though a disproportionate share of low-income households opt out due to targeting by predatory competitive suppliers
- Some Councillors and members of the public have expressed interest in shifting the default supply to a greener option as part of re-procurement this summer
- Basic energy prices and the cost of voluntarily increasing the portion of green energy (via Mass Class I Renewable Energy Credits (RECs)) have gone up significantly since negotiating our current contract
- The Climate Committee's guidance is "to maximize renewables with strong concern re: low-income ratepayers"
- We propose creating a 50% renewable default supply, with the option to opt-down to the lower cost base supply (~25% renewable) or opt-up to higher cost "100% green"
 - We expect the 50% renewable supply will still be less expensive than Eversource's July-December 2023 rate
- Note, this proposal only covers the period 2024-2025. In 2026, we expect to shift our renewable energy strategy to higher impact RECs procured through new renewable energy projects via Virtual Power Purchase Agreements (vPPAs), away from Mass Class 1 RECs



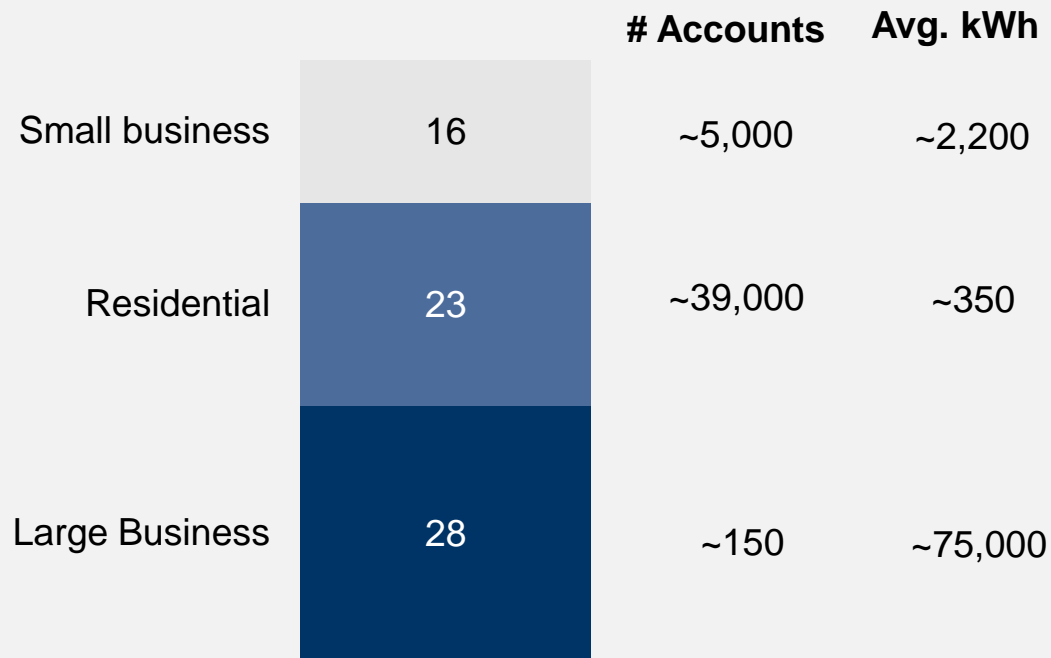
Cambridge Community Electricity (CCE) is a municipal aggregation program aiming to secure lower cost, stable rates & advance climate goals



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It has collectively saved users an estimated \$67M since 2017

Cumulative CCE savings vs. market since 2017 \$Millions



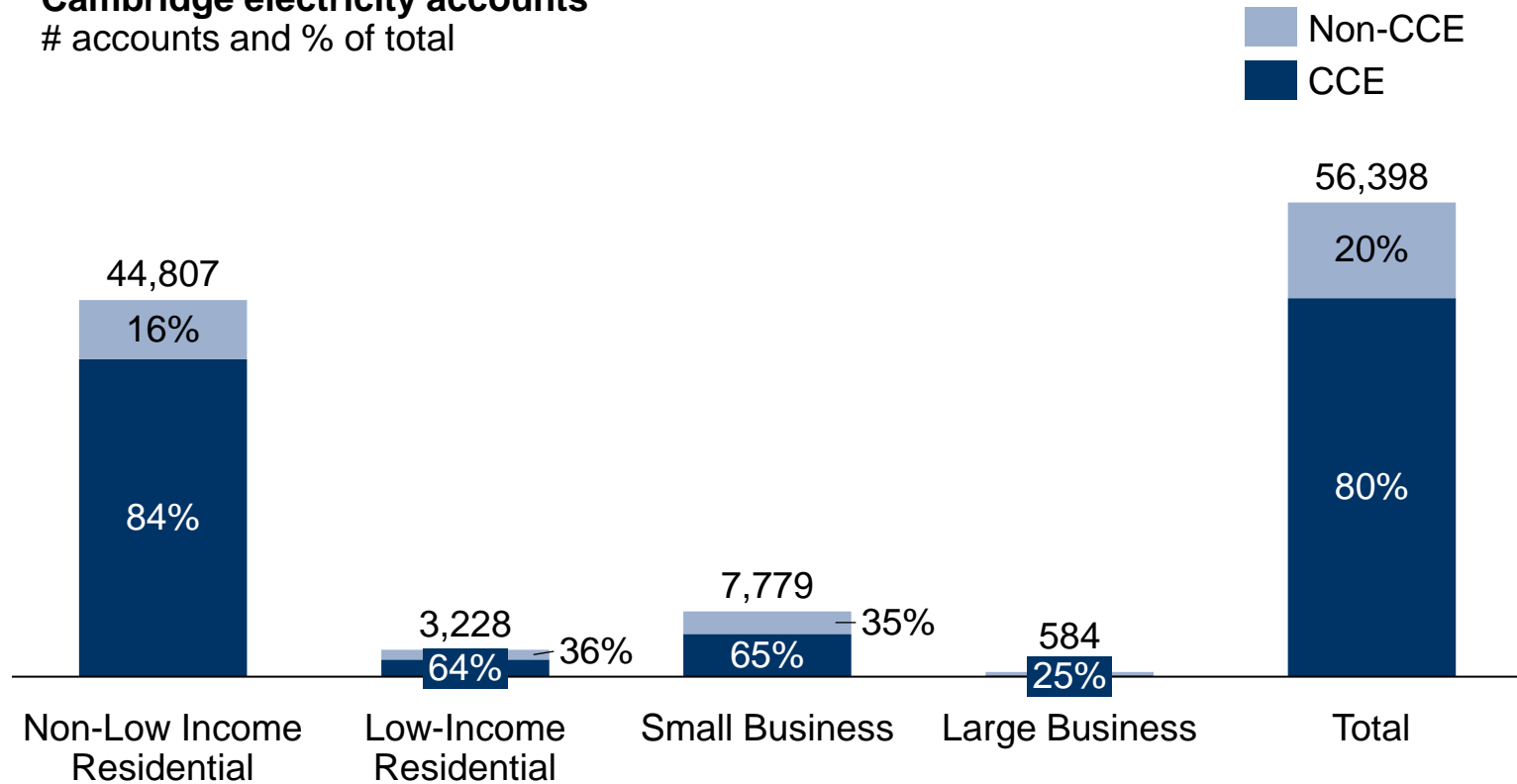
- Savings are proportionate with electricity usage (e.g., large business accounts use 75,000 kWh per month vs. 358 kWh for median residences)
- Cambridge's current standard price 10.2 ¢/kWh vs. Eversource's basic service prices:
 - Jan-June 2023 25.6 ¢/kWh
 - Jul-Dec 2023 16.1 ¢/kWh
- CCE offers additional benefits including City consumer protection, a fixed predictable price and the option to receive 100% renewable electricity



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~80% of Cambridge electricity accounts are enrolled in CCE; notably, low-income households are disproportionately under-enrolled

Cambridge electricity accounts
accounts and % of total



Disproportionately low participation
from low-income households due to
predatory competitive suppliers



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Predatory competitive suppliers target low-income households and give them higher electricity bills



Why a plan to drive down electric prices in Mass. led to higher bills

05:50   

May 08, 2023



By [Miriam Wasser](#)

Like most people, Noemy Rodriguez never gave much thought to various charges on her electric bill. All she knew was that the \$80 a month she was paying Eversource felt like too much.

So when some salespeople knocked on the door of her East Boston apartment a few years ago and said they could sign her up for “a state plan” that would lower her bill, she was intrigued. The two men — one of whom spoke Spanish — also said they were

- Unlike utilities, which need to get their rates approved by the state, competitive suppliers can charge whatever they want
- Average competitive supply customers pay \$200 more annually than they otherwise would
- “Even if they offer a lower price to start with, they jack up their price later down the line”
- The Attorney General’s Office has found that lower-income residents and communities of color are disproportionately harmed by this market

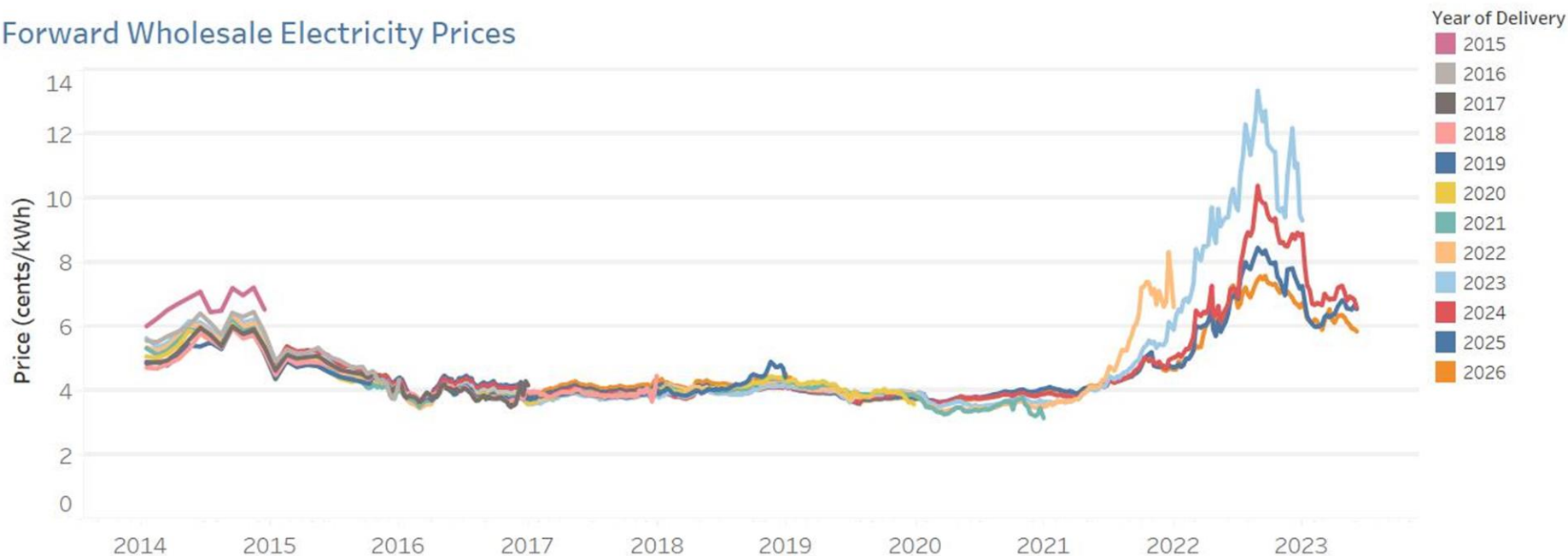


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Source: “Why a plan to drive down electric prices in Mass. led to higher bills. Miriam Wasser. WBUR. May 2023.

Basic energy prices have gone up significantly since we last went to bid

Forward Wholesale Electricity Prices



We are going to bid early based on consultants' recommendation, prices expected to continue to rise



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We propose creating a 50% renewable default supply, with the option to opt-down to basic 25% or opt-up to 100% green

Illustrative average residential costs based on indicative pricing (\$/month, rounded)

% Renewable	Existing Default Contract	Recent Indicative Market Prices		
	22% total	25% total	50% total	100% total
Delivery	\$61.20	\$61.20	\$61.20	\$61.20
+ Basic electricity (includes State's required RECs)	\$35.70	\$49.00	\$49.00	\$49.00
+ Voluntary RECs (additional RECs purchased by CCE)	---	---	\$3.40	\$10.40
= Total Cost	\$96.90	\$110.20	\$113.60	\$120.60
\$ increase from current contract	---	\$13.30	\$16.70	\$23.70
% increase from current contract	---	14%	17%	24%



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Based on average kWh usage for a residential customer;
actual usage can vary significantly

NOTE: RECs refer to Massachusetts Class 1 Renewable Energy Credits

Thank you

