

### **USING A COMPETITIVE SUPPLIER**

**Q—If I switch electricity suppliers, will my service be affected?**

**A—No.** By law, the utility is not allowed to provide different care levels to customers that have chosen an alternate supplier. You will continue to receive the same level of electricity delivery, emergency response, and meter reading from your current utility. Your utility will not change, just the supplier of your electricity.

**Q—How do I know if a competitive supplier is legitimate?**

**A—The New Hampshire Public Utilities Commission (PUC) maintains a list of Licensed Competitive Power Suppliers.** The Rockingham Planning Commission will only request proposals from licensed suppliers. Bidders will also be required to demonstrate their history of providing reliable electricity supply to municipal customers.

**Q—Will I see a change to my electricity billing?**

**A—No,** you will not see a change in your billing. Each municipality and school district will continue to be billed through its current distributor and will receive a single bill for supply and distribution charges.

**Q—Will I need to make capital or other investments in order to change suppliers?**

**A—No,** this is entirely a paper transaction.

### **JOINING THE AGGREGATION**

**Q—Why should I participate in the Rockingham Planning Commission Electricity Supply Aggregation?**

**A—The goal of the Rockingham Planning Commission Electricity Supply Aggregation is to purchase electricity as a group from a competitive supplier at a lower rate than each member could receive on its own.** By purchasing as an aggregation, municipalities and school districts can offer electricity suppliers a larger demand than if they each tried to purchase electricity individually. The larger demand, in turn, allows suppliers to offer a better rate to the aggregation than it could to individual members. The aggregation also makes it possible for members to share the costs of documenting load data, organizing a RFP process, selecting a supplier, conducting negotiations, and managing energy contracts.

**Q—Energy brokers frequently contact me to use their services. How is the aggregation different?**

**A—Being a member of the Rockingham Planning Commission Electricity Supply Aggregation is different from working with a broker in 3 important ways: 1) cost, 2) access to suppliers, and 3) commitment to customer service.**

1. **Cost—Brokers often tell potential clients that there is no cost to the client for their services.** But this is not necessarily true. If the broker is not directly compensated by the customer, they are paid by the electricity supplier via a per kilowatt-hour commission or surcharge, which is included in the supplier's net rate. The Rockingham Planning Commission Electricity Supply Aggregation uses a transparent fee structure, which is outlined below. The rate that is quoted by an electricity supplier through our bid process is the best rate the supplier can offer.

Frequently Asked Questions

2. Access to Suppliers—RPC issues a RFP to all competitive electricity suppliers registered with the NH Public Utilities Commission. Brokers, on the other hand, may only solicit pricing and present offers from suppliers they have a relationship with.
3. Commitment to Customer Service—while price is certainly an important aspect in selecting a supplier, so is customer service. The Rockingham Planning Commission Electricity Supply Aggregation’s focus on customer service starts with creating a RFP that demands suppliers produce proposals that have the aggregation members’ best interest in mind. Proposals and contracts are scrutinized and negotiated to obtain the most advantageous terms for members.

**Q—Is there a cost to participate?**

**A—**Yes. Aggregation members pay a small fee to cover the cost of Hill Energy Services and Attorney William Drescher. The total cost of these services is not-to-exceed \$8,000. This cost is allocated proportionally based on each participant’s electricity usage. In the Nashua Region, which operates a similar program, each member’s fees have totaled approximately 3% of their overall savings. RPC offsets the cost of our staff time.

**Q—What expertise do Hill Energy Services and Attorney William Drescher provide for the aggregation?**

**A—**Attorney William Drescher provides a legal review of the winning bidders’ standard contract. Changes to the contract are then negotiated based on his legal opinion.

Nicholas Hill of Hill Energy Services is an independent energy consultant. He has provided support to the Nashua Region’s aggregation since its inception in 2011. Nick has over 25 years’ experience helping governmental and commercial clients save money via energy procurement and energy efficiency. He is not affiliated with, or compensated by, any energy suppliers or other vendors. Nick’s services include:

- Reviewing the general competitiveness of the electricity supply landscape within Eversource, Unitil, and NH Electric Coop service areas.
- Reviewing energy consumption data for the aggregation, provided by RPC.
- Providing technical assistance to RPC for data collection efforts, as requested.
- Preparing a RFP for competitive electricity supply.
- Obtaining indicative pricing and contract terms from suppliers.
- Advising aggregation members on pricing and contract terms.
- Assisting in contract negotiations with selected supplier.
- Obtaining executable pricing from selected supplier.

**Q—Can school districts participate or is it just limited to municipal buildings?**

**A—**Yes, school districts can participate.

## **BID PROCESS**

### **Q—How will the winning bidder be selected?**

**A—**The RPC will issue a Request for Proposals (RFP) for electricity supply that includes accounts from all of the municipalities and school districts that have signed MOUs. The aggregation’s consultant, Hill Energy Services, will provide the expertise to interpret the results and advise the aggregation. Bidders will submit pricing and qualifications packages, which will be used to select up to two bidders for further evaluation. The primary method of evaluation will be price, followed closely by the bidders’ contract terms and prior experience serving municipalities. Some bidders may take exception to certain portions of the RFP; those will be evaluated on a case-by-case basis.

The process is completely transparent - bid results and due diligence research is available to all aggregation members. A summary and evaluation of the bids will be presented to aggregation members on September 11. After comparing the proposals, aggregation members will vote on the winning bidder. Each aggregation member may cast 1 vote. The winning bidder must receive 2/3 of the vote.

### **Q—Proposals are due to RPC on September 4 but we don’t sign contracts until September 25. Why not sign contracts on September 4 when the bids come in?**

**A—**The 3 weeks between when bids are received and contracts are signed provide time for Attorney Drescher to review the winning bidder’s contract and for negotiations to take place.

## **PRICING**

### **Q—Will the price municipalities and school districts pay for electricity change during the contract period?**

**A—**No. The price will be fixed during the contract period.

### **Q—What will the electricity rate be?**

**A—**Until proposals are received, it is unknown what the electricity rate will be.

### **Q—If we don’t sign contracts until 3 weeks after the bids are received, will the pricing that bidders submit on September 4 be the same pricing we receive on September 25 when we sign contracts? Can we make bidders hold their prices for 3 weeks until the day we sign contracts?**

**A—**Energy prices can be extremely volatile. Any supplier holding a price for more than one calendar day would have to pad that price in order to hedge against daily variations. It has been the experience of similar programs that prices will change during this 3 week period, but the ranking of bidders will not change. Because the RFP states that we will negotiate with no more than two bidders, bidders have a strong incentive to keep their pricing competitive and honest.

Frequently Asked Questions

**Q—Is it possible that the aggregation could end up paying a higher electricity rate than the default utility?**

**A—No.** While it is possible to go through the bid process and not get a lower price than the default utility rate, the aggregation members would simply exercise their right to reject all proposals and choose not to pursue the project.

**Q—Will each member of the aggregation receive the same pricing?**

**A—Yes.** Rates and contracts will be identical for each member within a given electric distribution territory.

### **CONTRACTS**

**Q—How long would the electricity purchase contract last?**

**A—The exact terms will be determined by the aggregation members.**

**Q—Will each member of the aggregation sign its own contract with the supplier?**

**A—Yes.** Each aggregation member will sign its own contract with the supplier for a fixed electricity supply rate. Contracts will be identical for each member within a given electric distribution territory.

**Q—Who signs the electricity supply contract on behalf of the municipality or school district?**

**A—Most often this is signed by a person who has had this authority delegated to them, such as the Town Administrator.**

**Q—What does an electricity supply contract consist of?**

**A—Most suppliers have a 2-part contract. The first part contains the general terms and conditions. It does not have pricing and is less time-sensitive than the pricing addendum. The second piece is the pricing addendum, which needs to be executed on the same day it is generated.**

### **MOU & COMMITMENT TO THE AGGREGATION**

**Q— I'm currently working with a broker. Can I still participate in the aggregation?**

**A—If you have signed an agreement giving a supplier, broker, or aggregator the exclusive right to provide you with electricity pricing and/or access your billing data, that agreement would have to be rescinded in order for you to participate in this aggregation.**

**Q—Why do I need to sign a MOU that contains an exclusive agreement clause?**

**A—It is necessary for each participating municipality and school district to agree to an exclusivity clause for two reasons. First, committing to the Aggregation assures bidders that the total annual electricity load for the group will not change from what is included in the RFP. This allows them to provide the group with the most competitive pricing possible. Second, if a member drops out of the aggregation and thereby reduces the overall load, it invalidates the quoted pricing and likely raises prices for the remaining members.**