

Ludlow Power Choice

Municipal Aggregation Plan

February 8, 2024 - Draft

I. Introduction and Key Features

A. Overview

The Town of Ludlow (“Town”) developed the Ludlow Power Choice program (“Program”) to bring the benefits of renewable energy and electricity choice to its residents and businesses. The Program will integrate additional renewable energy into the power supply and will offer a selection of products.

The key features of the Program will include:

Price stability and competitive pricing: The Town will seek to provide greater price stability when compared with the electric distribution company’s Basic Service. The Town will also seek to provide competitive prices and possible cost savings, but savings cannot be guaranteed.

Renewable electricity: The Town will seek to increase the use of power from renewable resources such as wind and solar. The additional renewable energy will come from additional Renewable Energy Certificates (“RECs”)¹ over and above the state minimum requirements.

Customer choice: The Town will offer program options, giving customers a choice in their electricity supply.

All retail electricity customers within the town will have the right to participate in the Program. Eligible customers² (“Eligible Customers”) will be enrolled automatically unless they opt out. All customers will have the right to leave the Program and return to the electric distribution company’s Basic Service at any time with no penalty or fee.

B. Products to be Offered

Initially, there will be three products. Ludlow Standard will be the default opt-out product and Ludlow 100% Green and Ludlow Basic will be optional products. Additional products may be added with the approval of the Board of Selectmen.

¹ A REC represents the environmental attributes associated with electricity production. RECs are part of an accounting system that enables renewable generators to sell, and customers to buy, renewable energy.

² Eligible customers shall include (1) basic service customers; (2) basic service customers who have indicated that they do not want their contact information shared with competitive suppliers for marketing purposes; and (3) customers receiving basic service plus an optional green power product that allows concurrent enrollment in either basic service or competitive supply. Eligible customers shall not include: (1) basic service customers who have asked their electric distribution company to not enroll them in competitive supply; (2) basic service customers enrolled in a green power product program that prohibits switching to a competitive supplier; and (3) customers receiving competitive supply service. Order on Eligible Customers, D.P.U. 16-10, at 19 (2017).

1. Ludlow Standard

Ludlow Standard will be the default opt-out product. The goal for this product is to incorporate additional renewable energy in the form of RECs while providing an affordable price. The percentage of RECs will be greater than the state minimum, up to 100%. The additional RECs may be Massachusetts Class I RECs,³ other types of RECs, or a combination.

The percentage and type of RECs will be set by the Town Administrator with policy direction from the Board of Selectmen. The Town Administrator will set the percentage and type of RECs after receiving price bids, and considering both price and environmental benefit. The percentage and type of RECs may change after they are initially established. Customers will be notified before any such change.

2. Ludlow 100% Green

Ludlow 100% Green will provide 100% Massachusetts Class I RECs, including both the state-required RECs and RECs added voluntarily. The goal for this product is to give Program participants an option with more RECs than Ludlow Standard.

3. Ludlow Basic

Ludlow Basic will include no additional RECs above state minimum requirements. The goal for this product is to provide an option that is less expensive than the other products.

C. Automatic Enrollment

The Town will provide notice to Eligible Customers at least 30 days in advance indicating that, if they do not act by a specified date, they will be automatically enrolled in the default opt-out product. The notice will state that customers may opt out at any time by contacting Program customer support, through the Program website, or by returning an opt-out reply card. Customers that opt out will remain on the electric distribution company's Basic Service.

The notice will include all of the opt-out documents required by the Department of Public Utilities ("Department"). These documents include an Opt-Out Notice, Opt-Out Reply Card, Opt-Out Envelope, Language Access Document, and Product Summary Form (collectively, "Opt-Out Documents").

II. Procedural Requirements

A. Local Approval

The Town voted to initiate the process of municipal aggregation at its Town Meeting on January 9, 2023. A copy of the Town Meeting vote is provided as Attachment B-1.

B. Consultation with the Department of Energy Resources

The Town consulted with the Department of Energy Resources ("DOER") on [MONTH] [DAY], [YEAR]. DOER's consultation letter is provided as Attachment C.

³ Massachusetts Class I RECs come from generators that are fueled by renewable sources such as the sun and wind, began operating after 1997, and are located in, or deliver power to, New England.

C. Public Review

The Town made the municipal aggregation plan (“Plan”) available for review by its citizens by making the Plan and Opt-Out Documents available for comment for 30 days and giving a public presentation of the Plan on [MONTH] [DAY], [YEAR]. The formal announcement, public comment period, and public presentation of the plan were publicized as described in § III.H, Public Education. The request for comments and comments received are attached as Attachment B-5.

III. Elements of the Plan

A. Organizational Structure and Responsibilities

The organizational structure of the aggregation Program will be as follows:

Board of Selectmen and Town Administrator: The Program is overseen by the Board of Selectmen and the Town Administrator. The Board of Selectmen sets the policy direction. The Town Administrator approves the Plan, manages the consulting team, and will establish the voluntary REC type and percentage in the default opt-out product and sign the supply contract.

Consultant: The Town’s aggregation consultant (“Consultant”) will manage the aggregation under the Town Administrator’s direction. The Consultant’s responsibilities will include managing the supply procurement, developing and implementing the public education plan, interacting with the electric distribution company, monitoring the supply contract, maintaining the Program website, providing customer service, and producing required reports. The Town has selected MassPowerChoice, LLC to provide these services for an initial term. MassPowerChoice is an electricity broker licensed in Massachusetts, license number EB-534.

Competitive supplier: The competitive supplier will provide all-requirements power supply and fulfill other responsibilities as detailed in the supply contract.

Residents and business with questions should contact Program customer support at 1-888-203-6454 or via the Program website (LudlowPowerChoice.com).

B. Operations

The Town will issue an RFQ seeking competitive suppliers that meet the following specifications:

- Licensed by the Department
- Strong financial background
- Experience serving the Massachusetts competitive market or municipal aggregations in other states
- Demonstrated ability, supported by references, to provide strong customer service

The Town will then issue an RFP to qualifying suppliers seeking products that meet the following specifications:

- Provide all-requirements service
- Allow customers to exit Program any time with no penalty or fee
- Meet all requirements of the Department and the electric distribution company
- Contain renewable energy content as specified by the Town

The Town will evaluate bids based on price and environmental benefit, and supplier financial strength, experience, and customer service record.

If none of the bids are satisfactory, the Town will reject all bids and repeat the solicitation as often as needed until market conditions yield a price that is acceptable to the Town.

Following receipt of bids, evaluating bids, and selecting a winning bidder, the Town will conduct an initial automatic enrollment of Eligible Customers, excluding customers that opted out of the Program. The competitive supplier will mail the Opt-Out Documents to Eligible Customers and enroll the customers that do not opt out.

Following the initial opt-out period, the Town will periodically ask the electric distribution company to identify any new Eligible Customers, and the Town will then conduct the same automatic enrollment process for those customers.

The competitive supplier will provide an information disclosure label quarterly reflecting resources it used to meet its load obligations in New England in compliance with 220 C.M.R. § 11.06(2)(d). The label will be publicized as described in § III.H, Public Education.

The competitive supplier will provide the terms of service or terms and conditions to customers upon request.

C. Funding

The Program will fund the following costs:

- the principal Program costs established through the RFP for a competitive supplier
- administrative costs charged as a per kilowatt-hour administrative fee and paid to the Consultant
- operational costs charged as a per kilowatt-hour operational fee and paid to the Town

The Town Administrator will be responsible for overseeing the costs of the Program.

D. Rate Setting and Other Costs to Participants

The Town will set the Program's electricity supply charge through a competitive bidding process. The Program will include an administrative fee which has been set through a competitive solicitation process. The Program may also include an operational fee which will be set by the Town Administrator. The budget for the operational fee will be determined by calculating the costs to be covered by the fee. A rate will be calculated to recover the budget by dividing the budget by projected electricity sales through the Program. The operational fee is consistent with municipal finance law because it is a user fee. The fee will be paid by Program participants to cover the costs of the Program and may be avoided by opting out of the Program.

Prices, terms, and conditions will vary by product and may differ by customer class and customer enrollment scenario as described in the Enrollment Pricing table in § V.3.

Prices may change if the Town enters into a new supply contract. The Town will notify Program participants of such a change as described in § III.H, Public Education.

Prices may change if there is a change in law (i.e., "regulatory event" or "new taxes" as defined in the supply contract) that results in a direct, material increase in costs during the term of the supply contract. In that event, the Town and the competitive supplier will negotiate a potential change in the Program

price. At least 30 days prior to the implementation of any such change, the Town will notify Program participants as described in § III.H, Public Education. The Town will also notify the Department's Consumer Division prior to the implementation of any change in Program price related to a change in law. Such communication shall occur no less than ten business days prior to the consumer notification and include copies of the direct mail notice, all media releases, Town Hall and website postings, and other communications the Town intends to provide to customers regarding the change in price.

The Program affects only customers' electricity supply charges. Delivery charges will be unchanged and will continue to be charged by the electric distribution company. Also, low-income discounts provided by the electric distribution company will continue to be applied.

Participants will continue to receive one bill through the electric distribution company with both the supply and delivery charges. Required taxes will be included as part of the electricity supply charge. Customers may request exemptions from the collection of any tax by providing appropriate documentation to the competitive supplier.

E. Method of Entering and Terminating Agreements with Other Entities

The Town will use a competitive solicitation process for fixed-price all-requirements service, and will solicit bids no later than 90 days prior to the end of the term of a supply contract. The Town will not enter into any supply contract with a competitive supplier unless it is fully consistent with its Department-approved Plan and Department Guidelines.

The Town will notify customers of changes to supply contracts and new competitive suppliers described in § III.H, Public Education. The Town will satisfy all notice requirements established by the Department for price and product changes, including any timing and mailing requirements.

If the Town determines that it requires support services after the expiration of the existing agreement with MassPowerChoice, the Town will solicit proposals for, and evaluate, potential aggregation consultants using a competitive procurement process or alternative procedure which the Town determines to be in the best interest of its residents and businesses and consistent with all applicable local, state, and federal laws and regulations.

The Town Administrator is the person responsible for entering and terminating contracts.

F. Rights and Responsibilities of Program Participants

The Town will inform customers that they have the right to opt out of the Program at any time without penalty. Customers may opt out of the Program by any of the following: 1) calling the Program's toll-free number; 2) submitting the opt-out form on the Program website; 3) calling the competitive supplier's toll-free number; 4) contacting their electric distribution company and asking to be returned to Basic Service; or 5) enrolling with another competitive supplier.

Customers may enroll after Program launch, or change between products, by any of the following: 1) calling the Program's toll-free number; 2) submitting a form on the Program website; 3) calling the competitive supplier's toll-free number.

Program participants with questions or complaints can contact the following:

- Program customer support at 1-888-203-6454
- support@LudlowPowerChoice.com or submit a form at LudlowPowerChoice.com

All participating customers shall enjoy the protections of law afforded to them as they currently exist or as they may be amended from time to time. These include rights to question billing and service quality practices. Under protocols developed by the Department, problems related to billing or service shall be directed to the appropriate parties. All Eligible Customers shall also enjoy the individual right to decline participation in the Program.

Participants are responsible for paying their bills, for providing access to metering and other equipment necessary to carry out utility operations, and for requesting any exemption from the collection of any applicable taxes with appropriate documentation of such exemption provided to the competitive supplier.

G. Termination of Program

The Program could be terminated upon the termination or expiration of the supply contract without any extension, renewal, or negotiation of a subsequent supply contract. A decision to terminate the Program would be made by the Town Administrator with the approval of the Board of Selectmen.

Should a termination occur, customers would be returned to their electric distribution company's Basic Service via Electronic Data Interchange by the competitive supplier in accordance with the rules set forth in the Electronic Business Transactions Working Group Report unless the customers choose an alternative competitive supplier.

The Town will notify the electric distribution company at least 90 days prior to a planned termination of the Program. The Town will notify the supplier at least 30 days before termination of the Program and will remind the supplier that it bears the responsibility of returning customers to Basic Service by a specified date. The Town will send a notice to the Department service list for the docket that approved the Program and to the Department Consumer Division at DPUCustomer.Complaints@mass.gov.

The Town will notify Program participants of Program termination by issuing a media release and posting a notice on the Town website and Program website, and through posts on the Town's social media accounts. In addition, Program participants will receive notice of a supplier change on their bill from their electric distribution company.

H. Public Education

The delivery of a public education effort and associated materials is pivotal to ensuring that residents and businesses are informed about the Program and their options. The Town will implement a public education effort that is tailored to the needs of the community and incorporates the municipal and Program websites, as well as social media, physical postings, direct mail, public presentations, local media, and outreach to community organizations that serve town residents.

1. Phases

The public education effort occurs in several phases.

Public review: A draft Plan was presented to town residents and businesses for their review and comment. The draft Plan was posted for comment for thirty days and the Town hosted a public presentation to enable discussion about the Plan.

Program launch: The program launch will be announced widely using press releases, the municipal and Program websites, social media, postings in town buildings, two public presentations, local access television, and outreach to municipal agencies and community organizations. Eligible Customers will

receive two mailings: a “coming soon” postcard followed by a detailed notice (the Opt-Out Notice) that describes the program and program prices, explains consumer rights within the Program including how to participate and how to opt out, and indicates where to obtain additional information and customer support.

Ongoing: Public education will continue once the Program is up and running. New customers will receive a detailed notice in the mail before being enrolled. Price changes will be announced through mailings to all Program participants, as well as through a public announcement and postings on the municipal and Program website. Electricity generation disclosure labels will be publicized every quarter.

Customer support via telephone and email will be available in all three phases.

2. Communications vehicles

The table below lists the communications vehicles and when they will be used.

Communications Vehicle	Public Review	Program Launch	Ongoing	
			Price changes	Disclosure labels
<p>Municipal website Announcements will be placed on the home page. Program information will be placed in a prominent location. The website will also include a permanent, prominent link to the dedicated Program website.</p>	✓	✓	✓	✓
<p>Program website The website will include detailed program information, current utility Basic Service prices, and the Department-approved Aggregation Plan and Opt-Out Documents. Announcements, such as notification of the public review period and price changes, will be posted on the home page.</p>	✓	✓	✓	✓
<p>Direct mail notices to customers</p> <ul style="list-style-type: none"> - Program launch: Coming Soon postcard and Opt-Out Documents. - New customers: Opt-Out Documents. - Price changes: Price-change notification mailed at least 30 days before a price change takes effect. 		✓	✓	
<p>Public presentations Held in municipal buildings or virtually.</p>	✓	✓		
<p>Customer support by telephone and email Answering customer questions and providing additional information.</p>	✓	✓	✓	✓
<p>Physical postings in municipal buildings Postings on a bulletin board in Town Hall.</p>	✓	✓	✓	✓
<p>Town social media accounts</p>	✓	✓		✓

Communications Vehicle	Public Review	Program Launch	Ongoing	
			Price changes	Disclosure labels
Posts on official Town social media accounts, including Facebook and Instagram.				
Cable access channel Announcements sent to Ludlow Community Television	✓	✓		✓
Local media Announcements sent to local newspaper, <i>The Register</i> , and regional newspaper, <i>The Reminder</i> .	✓	✓	✓	
Municipal departments, boards, and committees Announcements sent to municipal entities for sharing with their constituents/members, including Ludlow Veteran’s Services, the Ludlow Council on Aging, the Ludlow Conservation Commission, the Ludlow Planning Board, and the Ludlow Housing Authority.	✓	✓		
Community organizations Announcements sent to community organizations with a request that they publicize the announcement to their constituents, including: <ul style="list-style-type: none"> - Civic organizations such as Ludlow Lions and Rotary Club of Ludlow - Organizations supporting vulnerable community members such as Friends of the Ludlow Senior Center. 	✓	✓		

3. Access for customers with limited English proficiency

To ensure adequate access for customers with limited English proficiency,⁴ the Town will:

- Provide on-demand machine translation of the Program website before, during, and after Program launch, including price change announcements, which are featured on the website home page.
- Include the Department-required Language Access Document as a cover sheet with the Opt-Out Notice mailing. The Language Access Document will include the following text translated into 26 languages:

⁴ The primary languages other than English spoken in Ludlow are Portuguese (2.6% of households) and Spanish (2.2% of households). Massachusetts Executive Office of Energy and Environmental Affairs, Languages Spoken in Massachusetts, <https://mass-eoea.maps.arcgis.com/apps/webappviewer/index.html?id=dffdbf9c109647fc9601f7524c1fd9f4>, (accessed November 14, 2023).

Important notice enclosed from Ludlow about your electricity service. Translate the notice immediately. Call the number or visit the website, above, for help.

In addition, the Language Access document will include the MassRelay TTY phone number for both Spanish and English speakers.

- Provide on-demand phone interpreting in 200 languages via the Program's toll-free customer service telephone number before, during, and after Program launch.
- Address any further need for interpreting or translation as the need becomes known to the Town.

4. Access for customers with a physical disability or who required audial or visual assistance

To ensure adequate access for customers with a physical disability or who require audial or visual assistance, the Town will take the following steps:

- Outreach will be conducted in both print and audio formats and will include handouts and electronic and web-based materials as well as live presentations.
- To the extent possible, all public education events will be held in accessible spaces such as Town buildings. In the event public education events cannot be presented as in-person events, they will be held online and as such will be accessible to those with limited mobility.
- Before Program launch and on an ongoing basis after Program launch, customers who are blind or otherwise visually impaired may request assistance reading Program materials and the Program website, which will include price change information, by calling the customer support number. The Program website will be designed so that content can be read aloud by computer-assistive technology.
- For customers who are deaf or hard of hearing, the Language Access Document, which will accompany the Opt-Out Notice, will include TTY phone numbers for use by both English- and Spanish-speaking customers. In addition, customer support will be available via multiple modalities: voice (phone) as well as written (web form and email) both before and after Program launch.

I. Environmental Justice Populations

The Town has environmental justice populations based on income, minority status, and language isolation.⁵ To address the needs of these residents, the Town will

- Consider affordability as well as environmental benefit when establishing the percentage of voluntary RECs in the standard product.
- Offer an optional product, Ludlow Basic, with no additional RECs above the state minimum.

⁵ Massachusetts Executive Office of Energy and Environmental Affairs, Updated 2020 Massachusetts Environmental Populations, <https://mass-eoea.maps.arcgis.com/apps/webappviewer/index.html?id=1d6f63e7762a48e5930de84ed4849212>, (accessed November 14, 2023).

- Allow customers to opt out of the Program, or switch to Ludlow Basic, at any time with no penalty.
- As described in § III.H, disseminate information about the Program broadly through the community using websites, social media, local publications, and community groups that support vulnerable community members.
- Provide assistance to customers with limited English proficiency as described in § III.H, Public Education.

IV. Substantive Requirements

A. Universal Access

All electric distribution company customers located in the town will have access to the Program and all Eligible Customers will be automatically enrolled in the Program unless they choose to opt out. Customers that are not automatically enrolled in the Program may join the Program by contacting Program customer support or the competitive supplier.

B. Reliability

The contract with the competitive supplier will commit the competitive supplier to provide all-requirements power supply at fixed prices, make all necessary arrangements for power supply, and use proper standards of management and operations. The Consultant is a Massachusetts-licensed electricity broker and has the technical expertise necessary to operate municipal aggregation programs, including nine years of experience managing municipal aggregation programs in Massachusetts.

C. Equitable Treatment of all Customer Classes

The Program provides equitable treatment of all customer classes. Equitable treatment does not mean that all customers must be treated equally, but rather that similarly-situated customers must be treated equitably.

The Program makes several distinctions among groupings of customers. First, the Program may distinguish among customer classes by soliciting separate pricing for each of those classes. The Program will use the customer classes used by the local distribution company for Basic Service.

Second, the Program will distinguish among customers receiving different Program Options. Customers will be charged the price associated with the Program Option they receive.

Third, the Program makes distinctions according to customers' enrollment scenario. Those distinctions are described in the two tables below:

Enrollment procedures

Enrollment Scenario	Enrollment Procedures
Eligible Customers at Program launch	<p><i>All Customers</i></p> <p>An Opt-Out Notice will be mailed to all Eligible Customers at Program launch. After the completion of the 30-day opt-out period, inclusive of mailing, the competitive supplier will enroll all Eligible Customers that did not opt out.</p>
New Eligible Customers identified after Program launch	<p><i>Residential and Small C&I</i></p> <p>An Opt-Out Notice will be mailed to all New Eligible Customers identified after Program launch. After the completion of the 30-day opt-out period, inclusive of mailing, the competitive supplier will enroll all Eligible Customers that did not opt out.</p> <p><i>Large C&I</i></p> <p>Same as above except the Opt-Out Notice will include the current, market-based prices.</p>
Customers who opted out and later want to enroll	<p><i>All Customers</i></p> <p>Customers may enroll in the Program by contacting Program customer support or the competitive supplier.</p>
Customers on third-party supply at Program launch who want to enroll in the Program after their supply contract ends	<p><i>All Customers</i></p> <p>Customers may enroll in the Program by contacting Program customer support or the competitive supplier.</p>
All customers enrolled in the Program at the start of a supply term under a new supply contract, including any customers currently on market-based prices	<p><i>All Customers</i></p> <p>At least 30 days prior to the effective date of a price change under a new supply contract, Program participants will be informed through postings on the Program and municipal websites, media releases, social media, a physical posting in municipal buildings, and a direct mail notice containing the new price, term, fees, renewable energy content, and applicable Basic Service rate, in accordance with Section III.H above.</p>

Enrollment scenario	Enrollment Pricing
Eligible Customer at Program launch	<i>All Customers</i> Program pricing for all product offers.
New Eligible Customers identified after Program launch	<i>Residential and Small C&I</i> Program pricing for all product offers. <i>Large C&I</i> Market-based price based on then-current wholesale prices and competitive supplier costs at the time the customer wants to enroll. The competitive supplier will provide a market-based price that is fixed for the remainder of the current supply contract.
Customers who opted out and later want to enroll	<i>All Customers</i> Market-based price based on then-current wholesale prices and competitive supplier costs at the time the customer wants to enroll. The competitive supplier will provide a market-based price that is fixed for the remainder of the current supply contract.
Customers on third-party supply at Program launch who want to enroll in the Program after their supply contract ends	<i>Residential and Small C&I</i> Program pricing for all product offers. <i>Large C&I</i> Market-based price based on then-current wholesale prices and competitive supplier costs at the time the customer wants to enroll. The competitive supplier will provide a market-based price that is fixed for the remainder of the current supply contract.
All customers enrolled in the Program at the start of a supply term under a new supply contract, including any customers currently on market-based prices	<i>All Customers</i> Program pricing for all product offers.

V. Implementation and Education Schedule

Milestone	Date/Day Estimate
Program website launched	[add date]
Customer information and support hotline live	[add date]
Department approval of municipal aggregation plan	0
RFQ for competitive supplier issued	Day 14
RFP for competitive supplier issued	Day 28
Supply contract executed	Day 35
Supplier set up and EDI testing begins	Day 36

Milestone	Date/Day Estimate
Announcement posted and distributed to media; Program website updated.	Day 43
Announcement distributed to community organizations	Day 50
Coming Soon postcard mailed to Eligible Customers	Day 57
Announcement at Board of Selectmen meeting	Day 57
Opt-out notice mailed to Eligible Customers	Day 64
Additional social media posts	Day 71
Community information session 1	Day 78
Community information session 2	Day 85
Additional social media posts	Day 92
Opt-out postmark deadline	Day 97
Supplier set up and EDI testing complete ⁶	Day 111
Enrollment submissions begin	Day 112
Earliest date enrollments take effect	Day 119

The planned schedule is presented for illustrative purposes. The final schedule will be established when the Town receives Department approval.

⁶ The planned schedule is designed to give the competitive supplier sufficient time to satisfy EDI testing requirements. However, the schedule will be adjusted if additional time is needed to meet those requirements.