

BY PETITION REQUEST TO CREATE A CONCORD MUNICIPAL LIGHT BOARD ADVISORY COMMITTEE TO ANALYZE BENEFITS OF AND REQUIREMENTS TO IMPLEMENT A SINGLE REVENUE DECOUPLED TIME-OF-USE RATE STRUCTURE

ARTICLE 44. To determine whether the Town will vote to request the Select Board to require the Concord Municipal Light Board (CMLB) to create a Concord Municipal Light Modernization Advisory Committee with the goal of assisting CMLB in determining the benefits of and requirements to implement a single revenue decoupled time-of-use rate for all customers that directly relates customer behavior to Light Plant expenses. The advisory committee would include representation from the CMLB, CMLP-staff, and citizen experts as deemed appropriate by the Select Board and CMLB.

PETITIONER'S EXPLANATION: This article is a request to form an advisory committee. The committee will review a new rate structure for Concord Light that could better align customer behavior with Light Plant expenses. When concluded, the committee will report its findings to the Concord Municipal Light Board where they will determine if any future action is needed.

Article 44 – CMLB Advisory Committee
Speaker: Brian Foulds

Concord Public Hearing
Monday, February 29, 2015

What is being requested?

- Should a CMLB advisory committee be formed?



What will it do?

- Determine the benefits of and requirements to implement a single revenue decoupled time-of-use rate for all customers.
- Inform a public understanding of
 - Concord Light's technological capabilities and limitations today
 - Directly relates customer behavior to Light Plant expenses
 - What technology investments in Concord Light will yield the greatest net value to customers
 - How a time-of-use rate could work in Concord

Concord Light Expenses

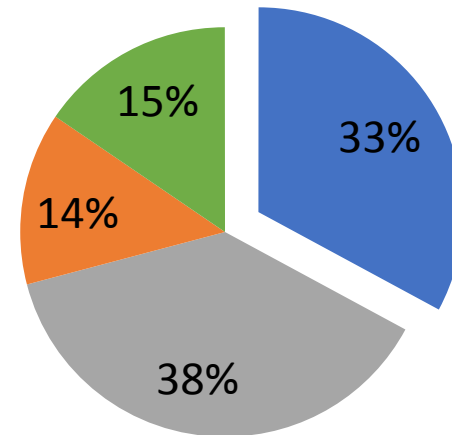
The total revenue expected
\$26,861,704

The total power supply expense
\$18,028,272

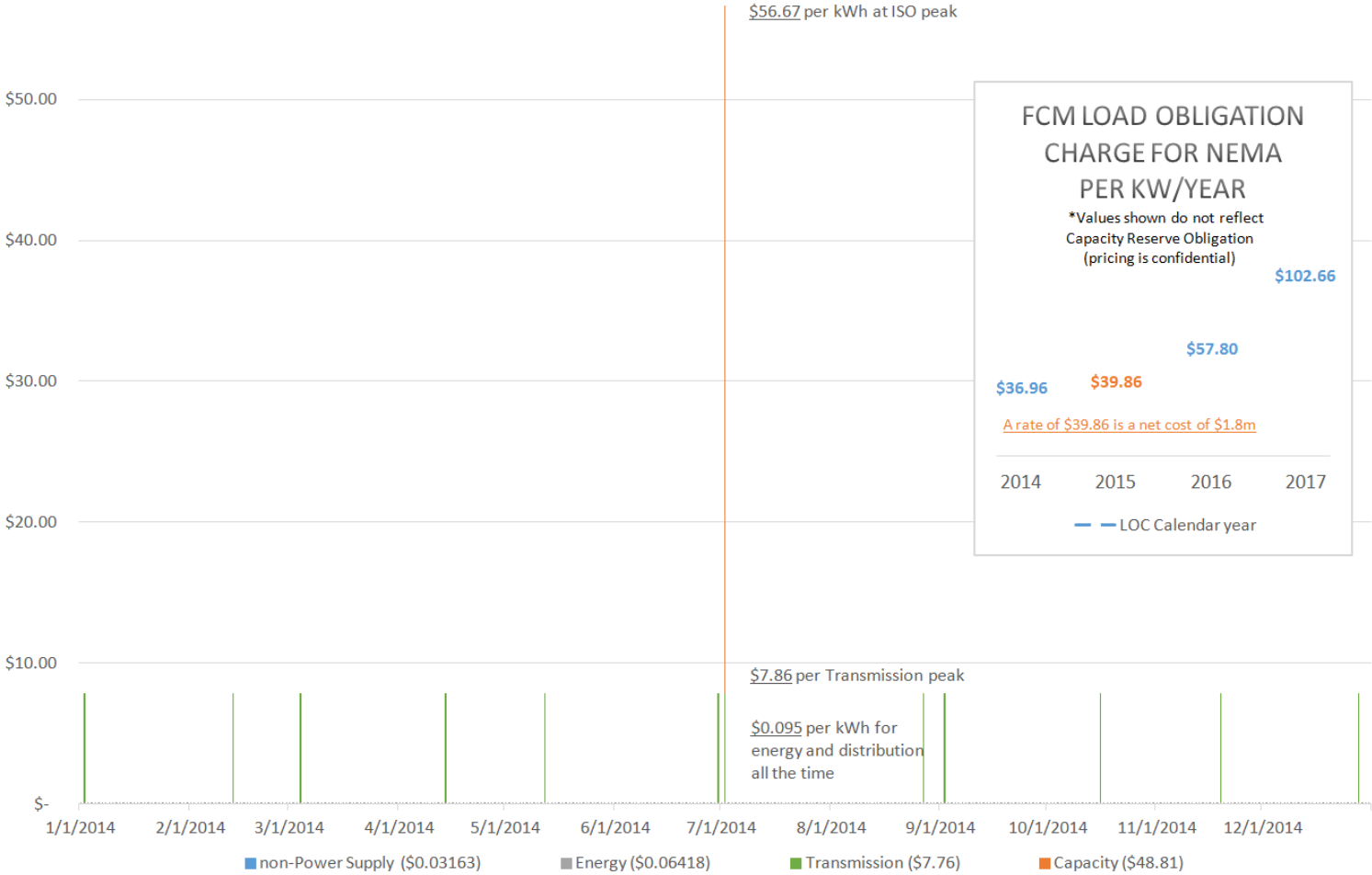
The total non-power supply
\$8,833,432

Total Revenue Expected

- non-power supply
- energy
- capacity
- transmission



CL's expenses over time (per kWh)

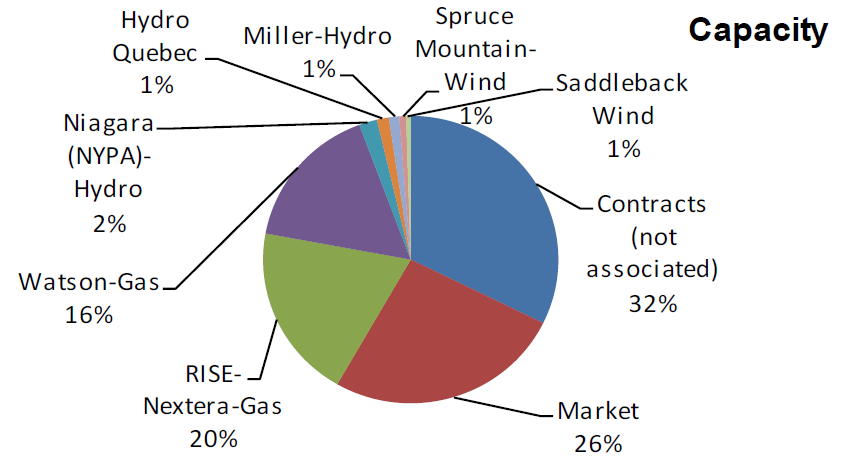


Capacity

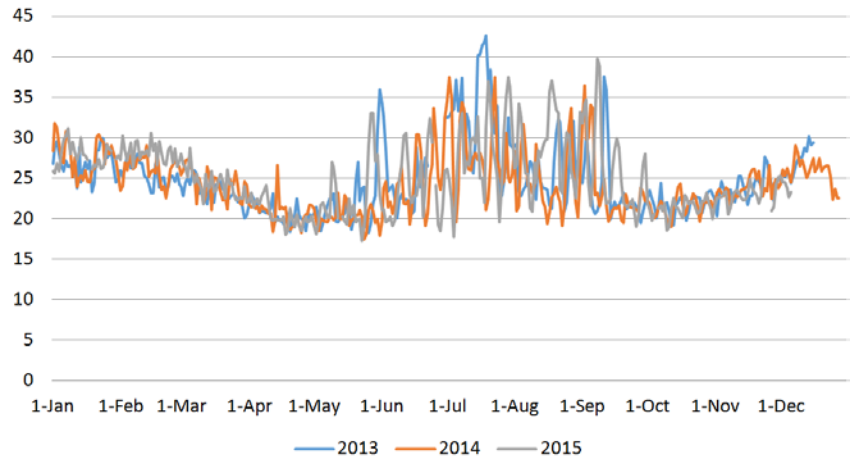
- Forward Capacity Market, designed to ensure the region continuously develops the resources needed to meet demand and maintain reliability

The total capacity purchases
\$3,662,369

- Concord Light's demand on the grid during the ISO annual peak demand sets Concord Light's capacity requirement



Concord Daily Peak Demand



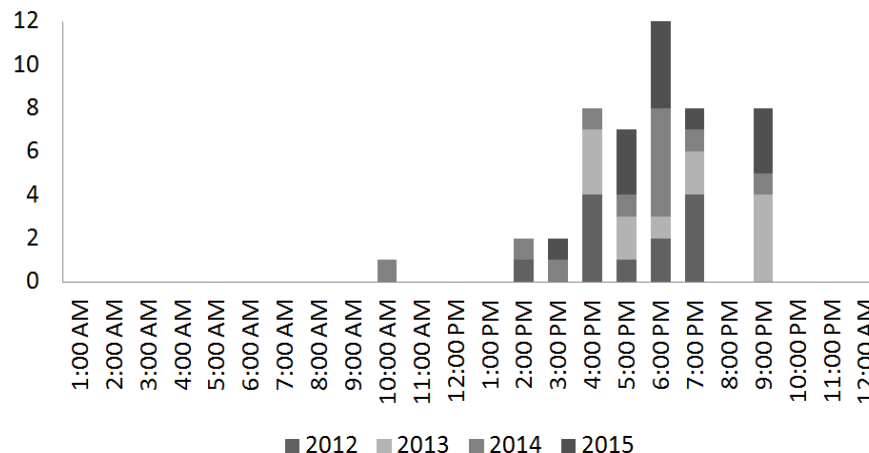
Transmission

- The cost to send electricity from the generators to Concord sub-station

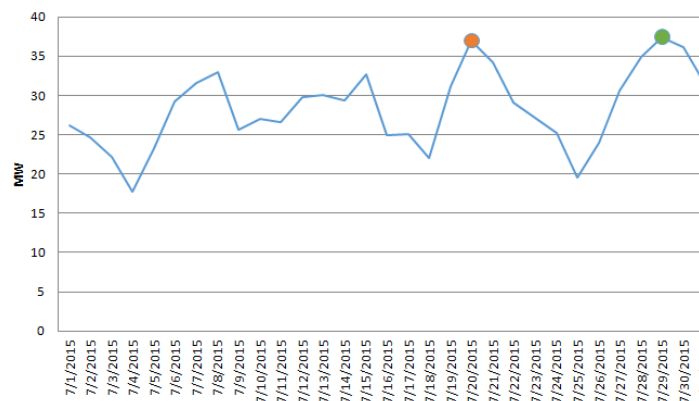
The total transmission cost
\$4,158,965

- Collected as a demand charge each month at a rate of about \$7.76 per kW

Monthly Peak Time of Day



Daily Peaks July 2015



How is this collected?

CMLP has different service rates for residential and business customers. Click on the service rates below to learn more.

[Printer-Friendly Version](#)

Residential Service Rates	Commercial Service Rates
Residential	Small General (G1)
Residential Farm Rider	Small General ETS Off Peak
Residential Controlled Water Heating Rider	Small General Net Metering*
Residential Time of Use	Medium General (G2)
Residential ETS Off Peak	Medium General Net Metering*
Residential Electric Vehicle Off Peak	Large General (G3)
Residential Electric Vehicle Time of Use	Large General Net Metering*
Residential Rate Assistance Rider	Power Cost Adjustment Clause
Residential Net Metering w/Banking*	Underground Utilities Charge
Residential Electric Resistance Heat and Heat Pump	Renewable Energy & Conservation Charge
Power Cost Adjustment Clause	Private Area Lighting
NYPA Cost Adjustment Clause	
Underground Utilities Charge	
Renewable Energy & Conservation Charge	
Private Area Lighting	
Adopt-a-Light	

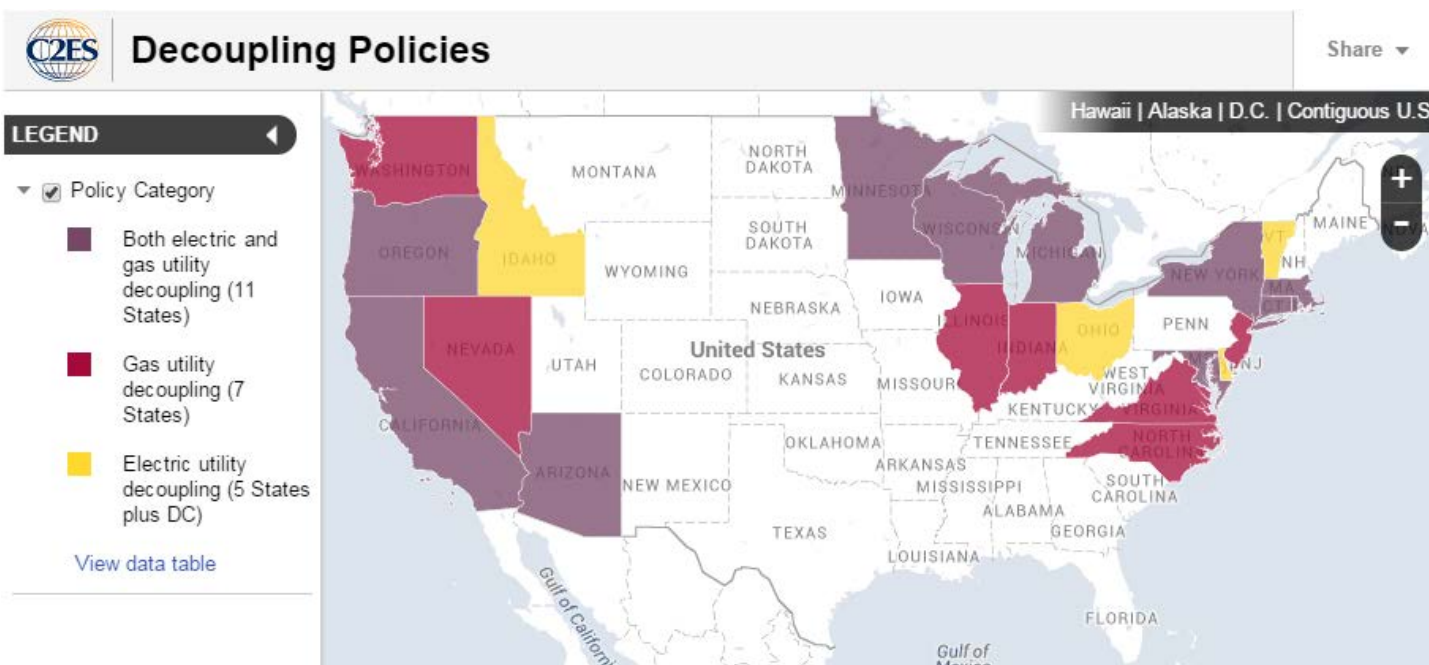
- Lots of rates
- Complex rates
- Rates are continually debated and changed
- Rationale for past rates is not well documented
- Consultants are paid to review rates
- Conservation at a profit only

What is a revenue decoupled time-of-use rate? (RD TOUR CPP)

- Revenue Decoupling (RD)
 - Separating utility fixed cost recovery from sales volume
- Time of Use Rate (TOUR)
 - Charging for when electricity is more expensive
- Critical Peak Pricing (CPP)
 - Charging for when electricity is most expensive

Revenue Decoupling (RD)

- The Massachusetts Department of Public Utilities (DPU) adopted revenue decoupled regulation as a statewide regulatory policy in 2008 and individual utilities filed revenue regulation tariffs in response. ([Map](#))



Time-of-Use & Critical Peak Pricing

Concord 7/22/11 (purple)

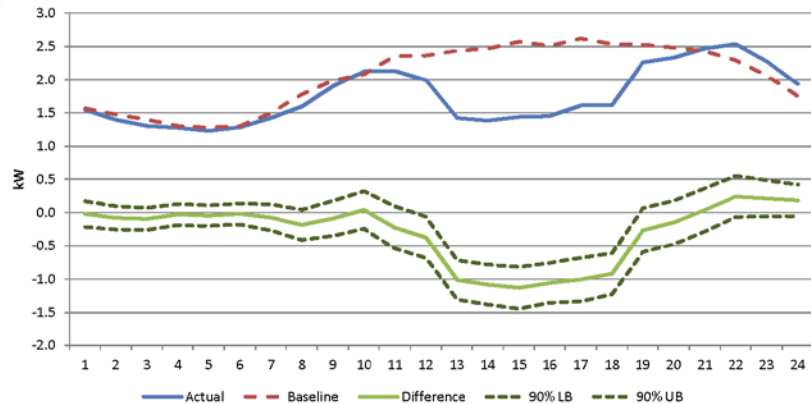
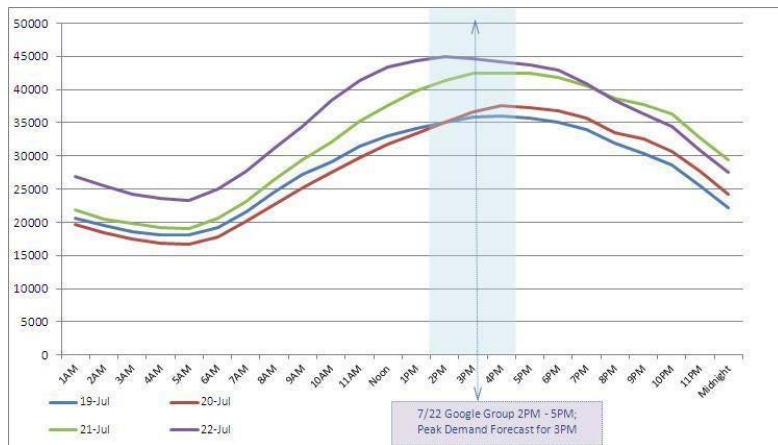
Volunteer program - A

1% reduction at the peak hour

Marblehead 7/22/11

CPP at \$1.00 per kWh - A

40% reduction at the peak hour



Questions?

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