



The City of Gloucester

Community Electricity Aggregation Program

February 10, 2021

Dear Basic Service Customer,

The city of Gloucester approved a Community Electricity Aggregation program authorizing our community to aggregate the electricity load (usage) of those residents and businesses that are on Basic Service with National Grid. The goals of the Program are to provide you with competitive choice, longer-term price stability and more renewable energy options, however, future savings cannot be guaranteed because future Basic Service rates are not known.

You will be automatically enrolled in the City of Gloucester Community Electricity Aggregation program unless you choose not to participate (opt out).

YOU MUST MAIL AND POSTMARK YOUR OPT-OUT CARD ON OR BEFORE MARCH 15, 2021 TO AVOID AUTOMATIC ENROLLMENT IN THE AGGREGATION PROGRAM.

After a competitive bid process, Direct Energy Services was selected as our Electricity Supplier for a contract starting on the December 2018 meter reading through the December 2021 meter reading. If you do not opt out of the Program, your participation will start on your April electricity meter reading. A comparison of the rates for the aggregation program and current rates for National Grid Basic Service are shown below.

Rate Class	"Gloucester Local Green" Five (5) Percent More Renewable Energy Than Required (Standard Product - No Action Required)	"Gloucester Premium Local Green" One Hundred (100) Percent Local Renewable Energy	"Gloucester Basic" Minimum Required Renewable Energy	Current National Grid Basic Service
Residential	\$0.11085/kWh	\$0.13080/kWh	\$0.10980/kWh	\$0.12388/kWh
Small Commercial	\$0.11085/kWh	\$0.13080/kWh	\$0.10980/kWh	\$0.10763/kWh
Industrial*	\$0.11085/kWh	\$0.13080/kWh	\$0.10980/kWh	\$0.10230/kWh *NEMA
Duration	December 2018 – December 2021 Rates apply to service beginning and ending on the days of the month that your meter is read in your service area.			November 1, 2020 – April 30, 2021* Residential and Small Commercial rates change every six months. *Industrial rates change every three months.

Rates indicated above are for Supply Services only. Under the contract, the rate per kWh (kilowatt-hour) for electric supply will be fixed until your December 2021 meter reading. The Standard Product rate for Residential customers will remain below National Grid's Basic Service rate until the National Grid Basic Service rate for Residential customers changes on May 1, 2021. The Standard Product rate for Small Commercial customers is not below National Grid's current Basic Service rates. The Standard Product rate for Industrial customers is not below National Grid's current Basic Service rates. Program prices could increase as the result of a change in law that results in a direct material increase in costs during the term of the electric supply agreement.

There is no guarantee of savings. The primary intent of the Program is to provide price stability and savings over the duration of the 36-month term. However, future savings cannot be guaranteed because National Grid Basic Service rates change every six months for Residential and Small Commercial customers and every three months for Industrial customers. Thus, National Grid's Basic Service rates may be above or below the Program rate during any subsequent period.

AGGREGATION FEE for all Gloucester programs is included in the above rates. This fee is \$0.001/kWh for the aggregation consultant.

PROGRAM DETAILS

- As an eligible participant, your account will be automatically enrolled in the Program unless you choose to opt out.
- You may leave the Program at any time without early termination fees.
- You will continue to receive one bill from National Grid.
- You will continue to send payment to National Grid.
- National Grid will continue to respond to emergencies and outages.
- Reliability and quality of service will remain the same.
- Program rates include taxes which are billed as part of the power supply charge.

Participation	Needed
If you want to participate in this program →	No action required
If you do NOT want to participate in this program →	Sign the enclosed opt-out card. Mail the card in the enclosed postage-paid envelope no later than <u>MARCH 15, 2021.</u>

IF YOU HAVE BEEN MAILED THIS NOTIFICATION, you do not need to take any action in order to participate in the Program.

ALL BASIC SERVICE CUSTOMERS who have been mailed this notification will be automatically enrolled in the Program and start benefiting from this fixed rate beginning on the day of the month that your meter read occurs. The new rate will be reflected on your subsequent month's bill. This date varies by service area. Your meter reading date is shown on your bill.

BUDGET PLAN OR ELIGIBLE LOW-INCOME DELIVERY RATE CONSUMERS will continue to receive those benefits from National Grid.

TAX-EXEMPT SMALL COMMERCIAL CONSUMERS must send a copy of their Energy Exemption Certificate directly to Direct Energy Services via email: usn.taxexemption@directenergy.com, fax: (800) 504-7428 or by mail: Direct Energy, Attn: USN Tax Exemption Dept, PO Box 180, Tulsa OK 74101-0180

IF YOU ARE RECEIVING ELECTRICITY SUPPLY FROM A COMPETITIVE SUPPLIER AND BELIEVE YOU HAVE RECEIVED THIS OPT-OUT LETTER IN ERROR, you **must** sign the attached card and opt out of this Program. This will ensure you continue to receive your electricity from that Competitive Supplier and prevent any possible early termination fees.

RENEWABLE ENERGY

• **INCLUDED: "GLOUCESTER LOCAL GREEN" – FIVE (5) PERCENT MORE RENEWABLE ENERGY – No action required to receive this offer.**

The price for the standard product is \$0.11085/kWh.

• **OPTION: "GLOUCESTER PREMIUM LOCAL GREEN 100" – ONE HUNDRED (100) PERCENT LOCAL RENEWABLE ENERGY**

The optional product offers an elective one hundred (100) percent local renewable energy originating from qualified Massachusetts Class I renewable energy sources. Call Direct Energy Services at (866) 968-8065 to select this option. The price of this offer is \$0.13080/kWh.

• **OPTION: "GLOUCESTER BASIC" – NO ADDITIONAL RENEWABLE ENERGY**

This optional product offers no additional renewable energy originating from qualified Massachusetts Class I renewable energy resources beyond the amount required by state law. Program participants who want this option must opt in by calling Direct Energy Services at (866) 968-8065. The price of this offer is \$0.10980/kWh.

Products described as **Green** contain renewable electricity above that required by state law. The additional renewable electricity qualifies for MA Class I designation and comes only from solar, wind, anaerobic digestion and low-impact hydro located within New England. **Local** refers to New England.

IF YOU HAVE ALREADY CHOSEN A GREEN POWER SUPPLY OPTION ON YOUR OWN, you **must** opt out of this Program. This will ensure you continue to receive your electricity from that Green Power Supply.

SOLAR ELECTRICITY CONSUMERS will not be impacted and will continue to receive their net metering credits while participating in the Program.

INSTRUCTIONS ON HOW TO OPT OUT

If you do not wish to participate in the Program, simply sign and return the enclosed card in the postage-paid envelope. **The envelope must be mailed or postmarked on or before MARCH 15, 2021 to avoid automatic enrollment in the aggregation program.** There is no penalty to opt out in order to remain on National Grid Basic Service.

ANY TIME AFTER ENROLLMENT, you can leave the Program with no early termination fees. This will occur during the next available billing cycle, whereupon your account(s) will be returned to National Grid's Basic Service.

EXIT TERMS FOR BASIC SERVICE: There is no penalty charge for leaving National Grid's Basic Service, however Industrial customers (G-2 and G-3) may receive a reconciliation charge or credit.

HOW TO ACCESS BASIC SERVICE IF YOU WANT TO LEAVE THE PROGRAM

Additional information about National Grid's Basic Service electricity rates may be found on the MASS.GOV website here: www.mass.gov/information-for-consumers-about-the-electric-industry, or visit the National Grid website www.nationalgridus.com/MA-Home/ or call (800) 322-3223 for account information. Please refer to the Basic Service category to determine the best option for you.

FOR MORE DETAILED INFORMATION regarding your community's Program, visit Gloucester-CEA.com, or call toll-free at (866) 456-8232.

SUPPLIER INFORMATION

The aggregation supplier is Direct Energy Services. You may contact the supplier at (866) 968-8065 between the hours of 9:00 AM and 5:00 PM, or via email at aggregationsupport@directenergy.com.

THERE IS NO GUARANTEE OF SAVINGS

The primary intent of the Program is to provide price stability and savings over the duration of the 36-month term. However, future savings cannot be guaranteed because National Grid Basic Service rates change every six months for Residential and Small Commercial customers and every three months for Industrial customers. Thus, National Grid's Basic Service rates may be above or below the Program rate during any subsequent period.