

## Power Supply FAQs

### **How do Cape Light Compact and other energy suppliers arrive at their price for electricity?**

Timing of the electricity purchase is an integral component of Cape Light Compact's price. The point at which power supply is purchased to serve load for a contracted term reflects the price passed on to consumers. This is true for Cape Light Compact as well as other companies procuring power supply for the consumer market. The timing of electricity purchase also explains why the Compact's price can either be higher or lower than other offers currently available in the market.

The Cape Light Compact's 2010 electricity prices decreased because the market price for fossil fuels, used to power the generators that produce electricity, remained significantly lower than in 2008 and most of 2009. The Compact's current electricity prices reflect energy purchases that were made for calendar year 2010 during the latter part of 2009, when market prices had dropped dramatically from the highs seen in mid-2008.

### **Why does Cape Light Compact purchase my energy supply?**

Cape Light Compact was formed in 1997 after the Massachusetts Restructuring Law authorized towns and cities to aggregate consumers to purchase power supply. Through the Compact, over 200,000 Cape and Vineyard energy users have been able to band together to seek out the most competitive energy supply price available, while representing regional interests as energy advocates for our consumers. The Compact is a public entity and its mission is to serve the public interest.

In addition to bringing competitive market prices for electricity to the Cape and Vineyard, the Compact offers a variety of activities and programs to support regional energy efficiency and renewable power development and offer energy education to Cape and Vineyard students. From July 2001 through December 2008, Cape Light Compact contributed over \$35.5 million in energy efficiency services to the residents and business of Cape Cod & Martha's Vineyard and will invest \$10 million more in the coming year. These funds, with certainty, have been reinvested in our local economy instead of supporting energy efficiency projects in other utility service areas outside of our region. In 2008, Cape Light Compact's Energy Efficiency Programs saved enough electricity to power 1,600 homes and remove the greenhouse gas emissions from the equivalent of about 1,000 cars.

### **What makes Cape Light Compact's power supply contract comprehensive and worry-free?**

When Cape Light Compact secures a contract to supply power for our region, the price per kilowatt hour that we negotiate on behalf of customers on the Cape & Vineyard is

fixed for a specified time and inclusive of any additional charges that many suppliers prefer to “pass through” as an adder to their initial price. This “pass through” provision is in many electric contracts; however the Compact’s electric supply contract does not allow any additional costs to be “passed on” to our customers. Again, the Compact negotiates a comprehensive contract ensuring worry-free premium service at a fixed price regardless of fluctuating market conditions. With our contract, the supplier takes on all the risk, not the Compact’s customers.

### **What energy supplier currently services Cape Light Compact’s customers?**

Cape Light Compact’s current energy service company is ConEdison *Solutions*, a supplier that provides cost-effective energy solutions for our residential, commercial, industrial, and government customers. ConEdison *Solutions* is working in partnership with the Cape Light Compact to continue to offer electricity customers on Cape Cod and Martha’s Vineyard a competitive, stable, price for their energy supply.

The company is based in White Plains, New York, with offices in Burlington, MA, Cherry Hill, NJ, and Arlington, VA. Founded in 1997, ConEdison *Solutions* is a subsidiary and registered trademark of Consolidated Edison, Inc., one of the nation’s largest investor-owned energy companies, with \$10 billion in annual revenues and \$25 billion in assets.

### **What is the benefit of Cape Light Compact using ConEdison *Solutions* for my energy supply?**

The Cape Light Compact selected ConEdison *Solutions* as energy supplier because the company offers fixed, stable pricing and is well-regarded as one of the most reliable energy services companies in the U.S. In addition, ConEdison *Solutions* provides customers an option to obtain Cape Light Compact Green® and has worked with the Compact to support renewable energy through the purchase of Renewable Energy Certificates (RECS).

### **Who do I contact at ConEdison *Solutions* if I have questions about my energy supply?**

ConEdison *Solutions* can be reached during normal business hours by calling 1-800-381-9192. A customer service representative will provide additional information about your service. Customers can also write to ConEdison *Solutions*’ headquarters at [webinfo@ConEdSolutions.com](mailto:webinfo@ConEdSolutions.com).

### **Why should I stay with Cape Light Compact?**

Customers should stay with the Compact because of our comprehensive approach to energy services – power supply, energy efficiency programs, and consumer advocacy. The Compact is a public entity and its mission is to serve the public interest. In the long

run, customers are overall better served by a grass roots public entity than a company with a profit motive.

Having a viable power supply program also enables the Compact to administer millions of dollars in energy efficiency funds and keep these funds on the Cape and Vineyard in the form of energy efficiency services. The Compact urges all consumers to avail themselves of one of the Compact's energy efficiency services or through low-cost energy efficiency measures that can be found at our website:

[www.capelightcompact.org](http://www.capelightcompact.org). For questions on how to save, please call 1-800-797-6699

### **Is Cape Light Compact responsible for all of the electricity costs on my energy bill?**

No. Cape Light Compact is only responsible for the Generation Charge listed on your electric bill and administering energy efficiency programs funded by the Energy Conservation charge. The Cape Light Compact has contracted a competitive fixed rate with ConEdison *Solutions* to supply power to our customers on Cape Cod and Martha's Vineyard and that rate is reflected through the Generation Charge.

### **What is the 'Energy Conservation' charge on my electric bill and what does it fund?**

The Energy Conservation charge is a monthly fee, usually around \$2 dollars, that covers the cost of energy efficiency programs administered through Cape Light Compact for our service region. Local control of the energy efficiency funds through Cape Light Compact has allowed us as a community to return over \$35.5 million in energy efficiency services to the residents and business of Cape Cod and Martha's Vineyard. These funds, with certainty, have been reinvested in our local economy instead of having the funds used for energy efficiency projects in other areas of the NSTAR service territory.

### **Isn't Cape Light Compact always supposed to offer me the lowest electricity price available?**

Cape Light Compact provides our customers a "competitive price", which is not always the lowest. We do have a set of criteria, and more importantly, we provide customers with choice; something they really don't have much of in the rest of the Commonwealth.

### **Does Cape Light Compact support my decision to investigate all electric supply choices available to me on the Cape & Vineyard?**

Yes. First and foremost, Cape Light Compact is a public entity – not a private, for-profit company - and our mission is to serve the public interest. Through the Compact, over 200,000 Cape and Vineyard energy users have been able to band together to seek out the best terms and conditions in an electric supply contract, while representing regional

interests as energy advocates for our customers on a local, regional, state, and federal level.

The Compact provides customers with a comprehensive approach to energy services – power supply, energy efficiency programs, and consumer advocacy. The Compact believes in and supports competitive electric markets and customer choice, and encourages you to make informed decisions that best serve your financial and personal needs in both the power supply and energy efficiency arena.

In the long run, we believe Cape Cod and Martha’s Vineyard residents are overall well served by a grassroots public entity dedicated to bringing energy choice, quality green jobs, effective representation and proven energy efficiency programs to our region.

**I’ve been contacted by energy suppliers who can offer me a better rate than Cape Light Compact. Should I cancel my service through Cape Light Compact and go for the better rate?**

Cape Light Compact’s competitive power supply program provides consumers a choice for their electric generation portion of the bill. The Compact has been providing competitive electric supply since 2001, and its rates have been below the distribution company, and at times, been above the distribution company. For information on the Compact’s past and existing electric rates, go to [www.capelightcompact.org](http://www.capelightcompact.org). Competition is a good thing and the Cape Light Compact encourages customers to choose electricity suppliers that best serve their needs. Cape and Vineyard customers, unlike other parts of the state, can choose their electric supplier thanks to the efforts of the Compact. As we have for many years, the Compact strongly encourages customers to read terms and conditions of an electricity contract before selecting a competitive supplier. Informed consumers make wise choices, and have the ability to identify and quantify risk. The Compact’s power supply program provides fixed pricing with no risk or hidden, pass through, charges.

As always, there is no entrance or exit fee associated with the Cape Light Compact power supply, and to opt-in or opt-out of the Compact’s power supply requires just a telephone call to the Compact’s supplier.

Bottom line? Shop carefully, read, understand, and make sure you are comfortable with all the terms and conditions of the contract, beyond the price itself, before you sign it. Customers need to make informed decisions based on all the parameters of the offer.

**How often will my electric rates change?**

Cape Light Compact’s basic electric supply prices for residential and small commercial customers change every six (6) months. Prices for medium and large commercial and industrial customers change every three (3) to six (6) months.

## **Does Cape Light Compact supply natural gas to its customers?**

No. Cape Light Compact does not buy natural gas. The Compact has participated in Barnstable County's regional procurement of natural gas for municipalities, which has resulted in savings to municipalities.

## **How does my electricity get to me?**

All New England states share one single network of power, called the electric grid. Generators from all over the region feed power into this grid and energy is drawn out on an as needed basis. Since electricity in New England is based on a regional mix, the electricity that is actually delivered to your home or business is determined by which power generators are located closest to you. The New England electric grid is managed and operated by an Independent System Operator ("ISO-NE"). ISO-NE is responsible for managing the dispatch of all power plants within the region so that there's always enough power being generated to meet the needs of the region.

## **Understanding the charges on your electric bill:**

Customer charge: This represents the costs of providing services such as metering, billing and account maintenance. These are fixed costs and are not affected by the actual amount of electricity used.

Distribution: This represents the cost of delivering electricity over wires to your home.

Transition: This represents the cost of past investments in generating plants and power contracts.

Transmission: This represents the cost of moving electricity over high-power lines from a generating plant to NSTAR's service area.

Renewable Energy: This represents a charge the Massachusetts Renewable Energy Trust Fund to increase the availability of renewable energy.

Energy Conservation: This monthly charge covers the cost of energy efficiency programs administered through Cape Light Compact for our service region.

Generation Charge: This portion of your bill represents charges associated with the supply of electricity only. Cape Light Compact has contracted a competitive fixed rate with ConEdison Solutions to supply power to our customers on Cape Cod and Martha's Vineyard and that rate is reflected through the Supplier Services/Generation Charge. This is the only charge on your electric bill negotiated through Cape Light Compact.