

Important Update: Rate Decrease Notification

As the result of a change in law, the Town of North Andover's current aggregation rates **will decrease by \$0.00126 per kWh effective with the June 2025 meter reads**. This applies to both the Standard Product (decreasing from \$0.15543 per kWh to \$0.15417 per kWh) and the Optional Product (decreasing from \$0.15751 per kWh to \$0.15625 per kWh). The new rates will be fixed through the remainder of the term, ending October 2025.

WHAT IS A CHANGE IN LAW AND HOW CAN IT RESULT IN A RATE ADJUSTMENT?

A change in law is a regulatory event that results in a direct, material increase or decrease in costs during the term of an electric power supply contract.

- ⇒ **MA Clean Peak Standard (CPS)** – State law requires that all companies supplying electricity to consumers in MA include certain minimum levels of renewable content. The state defines “Minimum Purchase Standards” for a variety of different types of renewable supply, including for example resources well-suited to provide power during peak demand periods (“Clean Peak Resources”). Since July 2024, the DOER has issued three emergency rulemakings that immediately put into effect adjustments in the Minimum Purchase Standards for Clean Peak Resources over the next few years. This results in a rate decrease.
- ⇒ **ISO-NE Day-Ahead Ancillary Services Initiative (DASI)** – DASI introduces a co-optimized day-ahead market that simultaneously considers energy and ancillary services, replacing the previous Forward Reserve Market. This approach ensures that resources providing essential services like operating reserves are adequately compensated and obligated to perform when needed, thereby improving system reliability. By implementing DASI, ISO-NE aims to provide targeted compensation and establish clear financial obligations and incentives for flexible resources, which are crucial for maintaining grid reliability amid the increasing integration of renewable energy sources. The Federal Energy Regulatory Commission (FERC) approved DASI, recognizing that it would significantly improve operating reserve resource readiness, efficiency, and day-ahead price formation in ISO-NE without causing undue increases in wholesale market costs. This results in a rate increase.
- ⇒ These regulatory events result in a **net decrease** in the Town's aggregation rates (effective with the June 2025 meter reads) pursuant to the “Change in Law” provision in the Electric Service Agreement (ESA).

WHAT IS THE IMPACT OF THE RATE ADJUSTMENT? Given average usage of 600 kWh per month, the new aggregation rates represent a decrease of \$0.76 per month versus the current rates for both the Standard Product and the Optional Product.

For questions about the rate adjustment or your options, please call Colonial Power Group at (866) 485-5858 ext. 1.