Consumer Perspectives

69th ANNUAL NECPUC SYMPOSIUM

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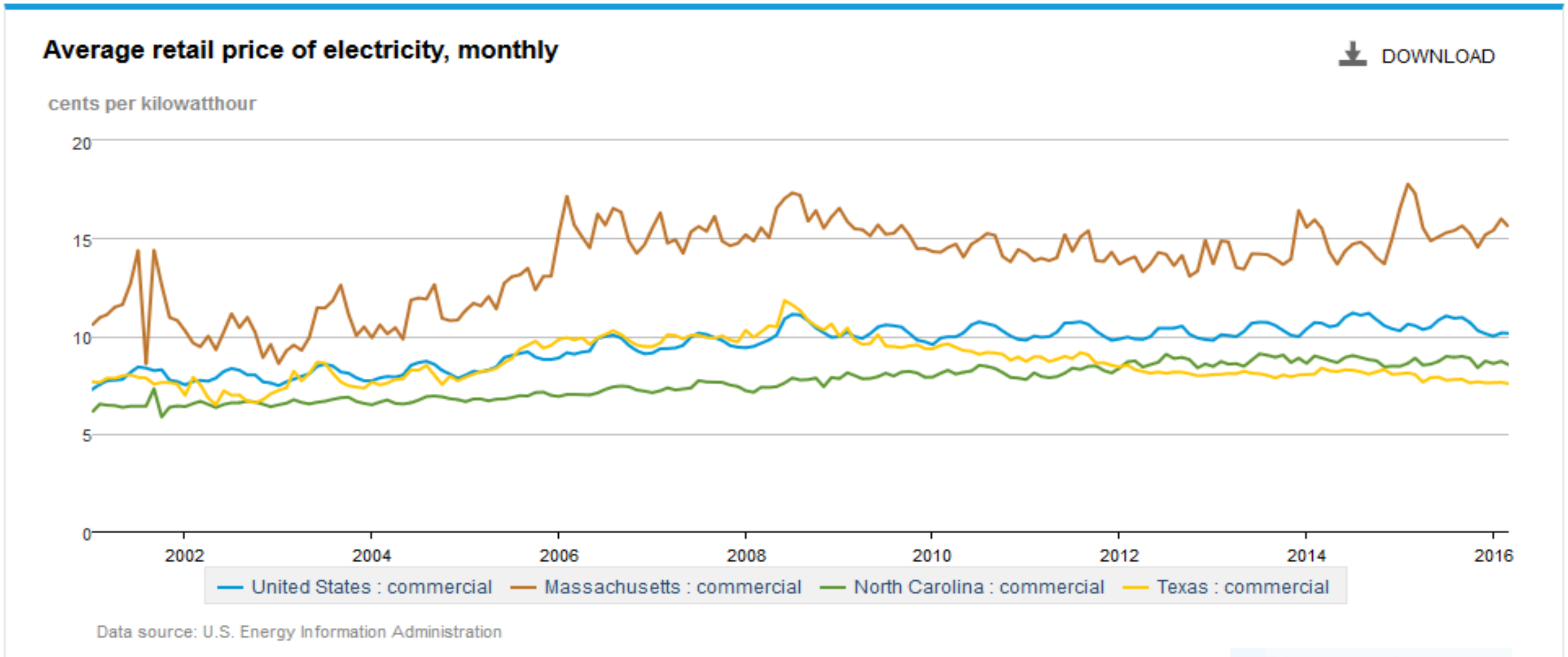
Electric costs in MA-Commercial

thru March 2016



Commercial Customer

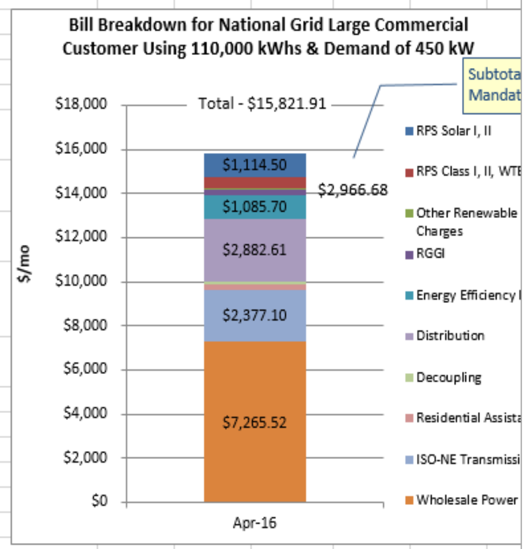
AIM Energy calculator (available at www.aimnet.org)

Select Utility & Customer Type	
Utility:	National Grid
Customer Type:	Large Commercial
Utility Rate:	G-3
Usage Input and Supply Price Selection	
Input Monthly Usage (kWh):	110,000
Input Monthly Demand (kW) (if applicable):	450
Use Default Basic Service Supply Rates or Enter Your Own Contract Price	Basic Service Supply Rates
User Contract Price Entry ($/ kWh):	

Notes:

Calculated values may not match bill exactly due to assumptions regarding peak/off peak usage percentages and/or billing cycles that straddle calendar months.

National Grid Large Commercial Bill Breakdown by Cost Category for 110,000 kWhs & Demand of 450 kW			
Selected Month	Apr-16	%	**Billed by**
MA Mandated Programs			
RPS Solar I, II	$1,114.50	7.0%	Supplier
RPS Class I, II, WTE, & APS	$480.38	3.0%	Supplier
Other Renewable Energy Charges	$62.70	0.4%	Dist.
RGGI	$223.40	1.4%	Supplier
Energy Efficiency Programs	$1,085.70	6.9%	Dist.
Subtotal (MA Mandated Programs)	$2,966.68	18.8%	
Distribution Cost Items			
Distribution	$2,882.61	18.2%	Dist.
Decoupling	$110.00	0.7%	Dist.
Residential Assistance	$220.00	1.4%	Dist.
Subtotal (Distribution)	$3,212.61	20.3%	
New England Grid Operator Charges			
Wholesale Power Market	$7,265.52	45.9%	Supplier
ISO-NE Transmission	$2,377.10	15.0%	Dist.
Subtotal (Transmission & Market Charges)	$9,642.62	60.9%	
Total Monthly Cost	**$15,821.91**	**100.0%**	
($/kWh)	$0.144		



Overload?

Costs in 2015 (Mass Only)

- RGGI – $100,000,000
- SRECs/NM – $525,000,000
- RPS (non-solar) – $250,000,000
- EE – $500,000,000 (stable)

Total – 1,400,000,000 (about 3c/kWh)

Does not include potential LTC for offshore wind or others

Take-Away

- Businesses are struggling to compete and some are making business decisions based on energy costs
  - Often located in Central/Western MA where jobs are scarce
- They don't want to subsidize "new industries"
- Energy policy should be about energy policy not social policy
- DPU has an obligation to balance cost and benefits AND those who pay should get the benefit
- Proponents of new "ideas" using ratepayer money should have to meet a high bar
- DPU must understand how it all fits together