



2023 NYSEG PARTICIPATION MOU

June 2023



The MOU

- Sets the timing, criteria for the bid, primary of which is the “price-not-to-exceed”.
- Provided to bidders with RFP to assure them that if there are bids which meet the criteria, a winner may be selected and municipalities will sign the associated Electric Service Agreement (ESA)
 - Award is made and winner hedges before the end of the trading day based on that assurance

June 2023



CCAMOU - NYSEG MEMORANDUM OF UNDERSTANDING 5/31/2023

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into by and between **Sustainable Westchester, Inc.**, a New York not-for-profit corporation (“**Sustainable Westchester**”), and the City/Town/Village of **[Municipality]**, a local government member of Sustainable Westchester (each a “**Party**” and collectively, the “**Parties**”).

1. **Background.**

a. In February 2019, the New York Public Service Commission issued an Order for Case 18-M-0764 as follows: “The Parties of Sustainable Westchester are granted to the extent that its municipal members are authorized to undertake a Community Choice Aggregation demonstration project consistent with the discussion in the body of the Order.”

b. The PSC subsequently issued an Order for Case 18-M-0722 on April 22, 2019, which authorized Community Choice Aggregation (“**CCA**”) throughout New York State. On September 15, 2019, the PSC issued the “Order Approving Approval of the Sustainable Westchester Community Choice Aggregation Program” establishing the Sustainable Westchester CCA program under a future implementation plan.

c. Sustainable Westchester’s CCA Program invited Participating Customers from an initial group of 20 participating municipalities in April 2019. Since then, nine additional municipalities have joined and several other municipalities are actively seeking to join participation.

d. For participating municipalities in the New York State Electric and Gas (“**NYSEG**”) utility territory, the current Electric Service Agreement for the Sustainable Westchester CCA Program will terminate on the Participating Customers’ first meter read date after November 30, 2023.

e. In compliance with the CCA Order, the **Municipality** has adopted local legislation to enable Community Choice Aggregation.

f. As a member of Sustainable Westchester to good standing and participant in the Sustainable Westchester CCA Program, the **Municipality** wishes to continue to engage the services of Sustainable Westchester as the Program Manager for Community Choice Aggregation for the Operation and Maintenance of the Program.

2. **Definitions.**

a. **2022 ESA.** The ESA which implements the Sustainable Westchester CCA Program during the period from March 1, 2022 to November 30, 2023.

b. **2023 ESA.** The ESA which will implement Sustainable Westchester CCA Program commencing on or about December 1, 2023, for the NYSEG service territory. The 2023 ESA shall have substantially the same terms outlined in the attached 2021 ESA template (except as modified by the 2023 ESA). Any term generally makes the 2022 ESA, in its context, with minor changes as reflected in the attached 2023 ESA.

c. **CCA Order.** Collectively, the February 26, 2019 “Order Granting Petition for Part” issued by the PSC in Case 18-M-0764 and the April 22, 2019 “Order Approving Framework for Community Choice Aggregation Opt-out Program” issued by the PSC in Case 18-M-0722 (the “**CCA Framework Order**”) which sets forth the requirements, terms, and conditions under which CCA programs can proceed through

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WESTCHESTER POWER COMMUNITY ENERGY

- **COLLECTIVE POWER** - the community-selected default electricity supply option for 29 participating municipalities
 - [Con Ed and NYSEG remain responsible for Distribution - the infrastructure and billing]
- **100% RENEWABLE ENERGY** easily accessible, vetted, at scale; Standard supply also available
- **OPT-OUT FORMAT** eligible customers are enrolled in the default supply unless they take action to opt out or change supply
- **CONSUMER-FRIENDLY** structure allows you to participate with no contracts, fees, or penalties for coming or going.
- **RATE STABILITY** stable and predictable pricing vs the monthly variability of the utility supply
 - Savings are not guaranteed through this program, as we cannot predict what the utility will charge month-to-month

Necessary clean energy cornerstone for our economic transition as we work to electrify our buildings and transportation, and achieve our environmental justice goals



Contracting Schedule

Activity	St	End	Dys	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26	7/3	7/10	7/17	7/24	7/31	8/7	8/14	8/2
Pre-award Outreach																			
Lit card drop (March)	3/21	3/21	0																
Presentations to Boards	3/21	5/2	30																
Ads posted	6/7	6/28	15			▶▶	▶▶	▶▶											
MOU/ESA prep to MOU signing	5/18	6/14	19		▶▶	▶▶	▶▶	▶▶											
Collection of indicatives, mkt data for PNTE	5/15	6/12	20	▶▶	▶▶	▶▶	▶▶	▶▶											
Contract, MOU draft - forward to munis	5/18	5/31	9		▶▶	▶▶	▶▶												
Board meetings	6/6	6/12	6					4	1										
MOU signing	6/7	6/14	5					▶▶	▶▶										
RFP drafting to award	5/22	6/22	23		▶▶	▶▶	▶▶	▶▶	▶▶										
Obtain aggregated data for RFP	5/15	5/26	9	▶▶	▶▶	▶▶	▶▶												
SW RFP drafting	5/22	6/7	12		▶▶	▶▶	▶▶	▶▶											
Transparent RFP Prep thru issuance	6/7	6/9	2					6/9											
Auction / bids due / award	6/22	6/22	0							6/22									
Contract Finalizing/Signing	6/22	7/7	11							▶▶	▶▶								
Finalize contract with awardee	6/22	6/27	3							▶▶	▶▶								
Contracts signed by munis	6/27	7/7	10								▶▶	▶▶							
Post award compliance/outreach	7/7	7/24	11									▶▶	▶▶	▶▶	▶▶				
Post award information sessions	7/7	7/24	11									▶▶	▶▶	▶▶	▶▶				
Submit Municipal filing to DPS	7/24	7/24	0																
Notification Mailing, Opt out period	8/25	10/27	45																▶▶



Indicative Pricing

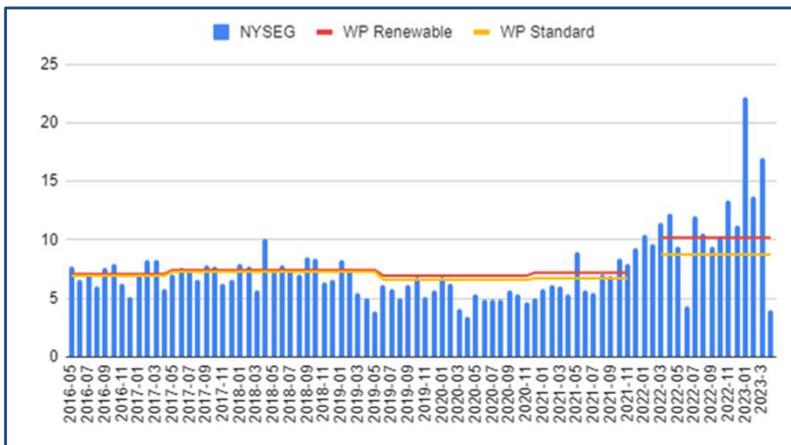
This is what the supplier tells us the price would be if contracted on the day it was issued)

Term	Standard	100% Renewable
12	\$0.1065	\$0.1282
18	\$0.1132	\$0.1349
24	\$0.1121	\$0.1338
36	\$0.1157	\$0.1374

Issued 6/1/2023



	Resi	Coml
NYSEG Trailing 12-Month Average	\$0.12384	\$0.12703
Standard Product Price Cap (5% vs 12 month)	\$0.13003	\$0.13338



NYSEG Trailing Average

- No predictive value, but required to post on our letters etc. by DPS.
- Also determines a maximum offer price for Standard supply



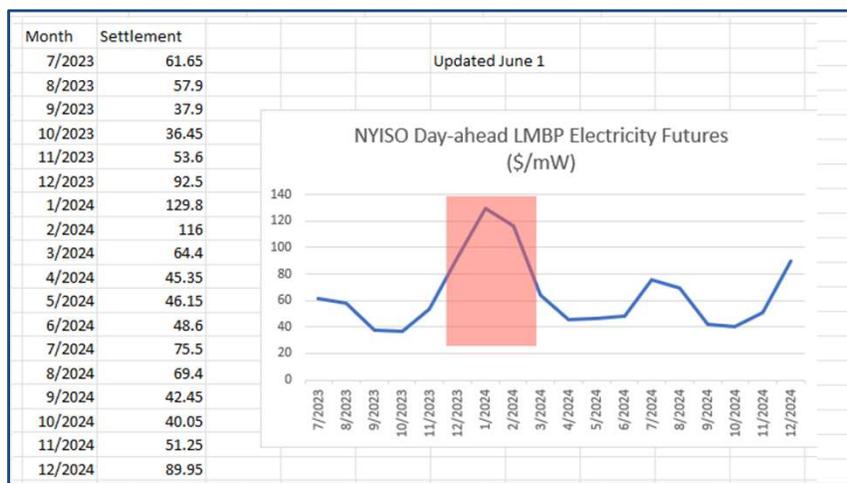
ESCO Survey - 6/2/2023

Company	Xoom Energy	Brown's Fuel Service	Green Mountain Energy	American Power and Gas	City Power and Gas	Nordic Energy	IDT Energy	IDT Energy	IDT Energy	City Power and Gas	Polaris Power	Green Mountain Energy	Green Mountain Energy	Clean Choice Energy	American Power and Gas	Verde Energy	Verde Energy	Verde Energy			
TermMonths	24	12	24	var.	30	3	6	var.	24	18	12	30	24	12	12	var.	24	var.	12	24	36
% Renewable	50	50	50	50	60	100	100	100	100	100	100	100	100	100	100	100	100	100	50?	50?	50?
PriceCnts	10.79	12.00	13.00	14.99	13.27	8.99	10.63	12.87	13.45	13.70	14.20	14.23	14.49	14.89	15.40	15.40	16.30	17.99	9.19	9.29	9.49



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Wholesale Electricity Futures

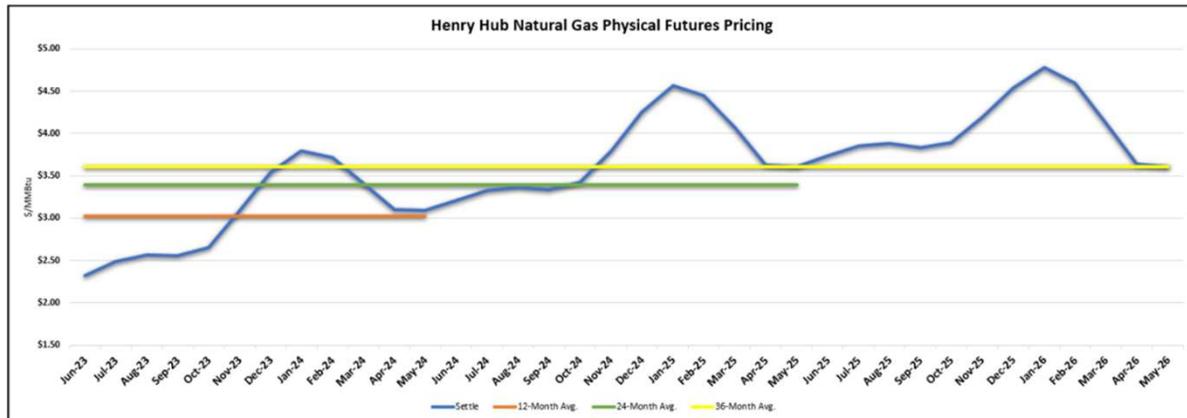


- Largest part of retail price
- Most notable is next Winter again predicted to reach extremes again (fixed rates can provide some protection)



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Natural Gas Futures



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Summary

- While we hope that competition and good timing ultimately provide a good pricing outcome, the proposed 13.5 cent price-not-to-exceed provides a 0.68 cent safety margin over the current 12.82 cent indicative price (12 mo. term); recall price movements last round were such that we missed the bid window and ended up delaying renewable for several months.
- Lowest current equivalent ESCO offering is about 13.5 cents as well.
- Standard supply would be about 2.2 cents less.
- Can't predict the future performance, but the fixed rates would provide a safety net against a large Winter run up such as we saw last season.
- If we were to miss this window, by the time we regrouped for another try, we would probably find that the trailing average had moved down because of the recent cheaper "shoulder months", and we would not be able to offer a Standard product meeting the DPS requirement that such product must be priced at less than the trailing 12 mo. Utility avg. plus 5%

Last note - Renewable Energy Certificates (the medium for our green power purchases) remain very tight, and it is possible that we might not be able to secure an offer that meets our criteria for this (in which case we'd have to regroup).



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