

February 20, 2018

Dear Electricity Procurement Consultants, Qualified Electricity Suppliers, Energy Services Providers, Electricity and Renewable Energy Certificate Brokers, Non-Profit Organizations, and Boston Residents and Business Owners:

The City of Boston (the “City”) is currently considering a program to offer its residents and businesses the opportunity to join together to purchase electricity from a third-party supplier, rather than their local distribution company, Eversource. One feature of the program may be the ability to offer “cleaner” energy: that is, more of the electricity offered through the program may come from renewable resources, like wind and solar, than the electricity that is currently provided by Eversource.

With this RFI the City of Boston (the “City”) seeks to obtain information regarding the establishment of a municipal electricity aggregation program, and the individual elements and features of such a program. Specifically, the City seeks to assess the potential benefits and risks associated with the competitive purchase of electricity supply and renewable energy certificates (RECs) for such a program, to gather recommendations regarding the term of electricity supply contracts and hedging strategies to promote price stability for municipal electricity customers, and to determine the cost of offering various renewable energy options and other services to the City’s residents and businesses.

To be clear: this RFI is for informational purposes only, and your participation--or lack thereof--does not help or hurt your chances of partnering with the City in the future. All responses will be public records, and will thus be subject to disclosure. See Section 12 of this RFI for additional information about the Commonwealth of Massachusetts Public Records Law, its requirements, and its exemptions.

Sincerely,

*The City of Boston
Environment Department*



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1.0 Introduction

Massachusetts municipalities are authorized pursuant to General Laws Chapter 164 Section 134(a) to aggregate the electrical load of the electricity customers within their boundaries, and “to solicit bids, broker, and contract for electric power and energy services” on behalf of those customers. These municipal “aggregations” may require that a greater percentage of electricity delivered by third-party suppliers is produced by renewable resources.

On October 4, 2017 the Boston City Council adopted an Order (i) authorizing Mayor Martin J. Walsh to “direct appropriate departments to research, develop, and participate in a contract or contracts, to aggregate the electricity load of the residents and businesses in the City and other related services”; (ii) requiring the City to solicit bids for a quantity of Massachusetts Class I renewable energy certificates (Mass Class I RECs) sufficient to comprise 5% of the total power delivered to aggregated electricity customers, on a default basis; and (iii) recommending that the Mayor form a working group composed of City Council members and community stakeholders to “provide input into the development of a plan to aggregate the electricity load, including the aggregation plan’s financial impacts on City of Boston ratepayers.”

This RFI is being issued in accordance with the City’s Council’s October 4, 2017 Order.

2.0 Purpose of the Request for Information; Statement Regarding the Request for Information

The purpose of this Request for Information (the “RFI”) is to research topics relating to (a) the design, implementation, and administration of a municipal electricity aggregation program; (b) the pricing of electricity sufficient to meet the aggregated electric load of the City’s residents and businesses; (c) the pricing of Mass Class I RECs sufficient to ensure that 5% of the total power delivered to City residents and businesses is generated by renewable resources on a default basis; (d) possible offerings of related energy services to aggregated electric customers; and (e) the cost of procuring the professional and consulting services necessary to establish and maintain a City municipal electric aggregation program that provides universal access, a reliable supply of power, and fair and equitable treatment to all customer classes enrolled in such a program.

This RFI is intended to solicit ideas and opinions, recommended solutions, indicative pricing, and expressions of interest from commodity and service providers, and members of the public. Responses to this RFI should contain information concerning the individual, company, or entity responding, including information regarding their qualifications, if any, to provide authoritative information in the fields of electricity supply, energy services, electricity and/or REC pricing,

and municipal aggregation program design, implementation, or administration.

Respondents to this RFI are invited to respond to any or all of the questions in this document. This RFI is not a procurement or solicitation, and no contract will be awarded to any individual or firm that submits a response to the RFI. Responses to this RFI shall serve solely to assist the City in understanding the current state of the marketplace with respect to the solicited information, or to inform the development of possible future Requests for Proposals (RFPs) or Requests for Qualifications (RFQs). This RFI does not in any way obligate the City to issue or amend a solicitation such as an RFP or RFQ, or to include any of the RFI provisions or responses in any such solicitation. Responding to this RFI is entirely voluntary, and will in no way affect the City's consideration of any proposal or statement of qualifications submitted in response to any subsequent solicitation; nor will a response to this RFI serve to advantage or disadvantage a respondent during the course of evaluating any proposal or statement of qualifications they may submit in response to any future RFP or RFQ.

All costs associated with responding to RFI, including the preparation of presentations and demonstrations, if any, will be the sole responsibility of the individuals or firms who submit or prepare such materials.

3.0 Form of RFI Responses

As stated in Section 2.0 above, firms and individuals are invited to provide answers to any of, or all of, the questions posed in this RFI, and should provide information concerning their qualifications, if any, to provide authoritative information in the fields of electricity supply, electricity and/or renewable energy certificate (REC) pricing, and municipal aggregation program design, implementation, and administration.

Respondents should use the Form provided as Appendix I of this RFI to prepare and submit their RFI Responses. Individuals or companies that provide indicative pricing should use the Form provided as Appendix II of this RFI.

4.0 Schedule

1. RFI Issued.....February 20, 2018
2. Period for Submission of Questions Regarding RFI.....February 20-March 6, 2018
3. Publication of Responses to Questions Regarding RFI.....March 9, 2018
4. Optional Meeting for Potential Respondents.....March 13, 2018
5. RFI Responses DueMarch 20, 2018

5.0 Municipal Aggregation Program Implementation and Administration

1. Would you recommend that the City complete a feasibility study? If so, please describe the steps necessary to conduct a thorough feasibility study to assess the risks, costs, and potential benefits of providing electricity supply and related energy services to its residents and businesses via a municipal aggregation program (the “Program”)
2. Please describe both the required and recommended steps for implementing the Program, including the offering of related energy services. How would you assess the administrative cost to the City, measured both in terms of the number of City employees needed to manage the program internally (expressed as full time equivalent positions) and other related costs?
3. Please provide a timeline or Gantt chart for implementation of the Program, indicating all milestones. Do not use dates: use numbered days to indicate the amount of time between milestones.
4. Please list all required and recommended reporting requirements for the Program.
5. Please describe a recommended organizational structure for the successful administration of the Program. If possible, please cite examples based upon your own experience.
6. Please describe the consultations, if any, with the Department of Energy Resources or Department of Public Utilities, or any other agency with jurisdiction over the Program, or Eversource, the City’s local distribution company (LDC), that are required or that you recommend, either during the implementation phase or thereafter. Please list any filings that are required to be submitted to those agencies either during the implementation phase or thereafter.
7. Please describe what you believe to be best practices for the sharing of customer information and data, between the City and its LDC.
8. Please state whether it would be possible for the City to receive account level usage data for those residents and businesses enrolled in the Program, and the purposes for which the City could use that data.
9. Do you recommend that the City retain primary responsibility for developing Program communications, or should primary responsibility for such communications be delegated to a contractor?
10. Please describe your recommendations regarding the scope and the methods for conducting a successful public outreach and education plan to ensure that residents and businesses are fully informed about the aggregation, and are equipped to make sound personal decisions regarding whether or not to join the

aggregation based on that information. Bear in mind the extent of the City's geography, and that the City's policy is to provide communications to residents and businesses in no fewer than six languages. Please describe with specificity (frequency, content, etc.) the communications necessary to implement the Program, and the communication necessary to sustain it.

11. How have you typically engaged residents of the communities as part of the municipal aggregation process?
12. Which metrics have you used to measure the success of your community engagement efforts? For example, by measuring the percentage of residents that were contacted, the percentage of residents responding to an inquiry, the percentage of residents attending a community meeting, or one or more other metrics?
13. What results were you able to achieve measured against the metrics described in the previous response?
14. The City has approximately 673,000¹ residents and a high expectation for community involvement on public initiatives. The City has approximately 191,000 residential accounts, approximately 25,000 small commercial accounts, and approximately 7,000 large commercial accounts currently receiving Basic Service from the LDC. The total annual Basic Service electric load for those accounts equals 1,756,234,952 kWh. How would you measure the success of a municipal aggregation community engagement strategy for Boston?
15. How would you modify community engagement strategies you have supported or observed for other municipal aggregations to ensure that a community outreach program here in Boston would be successful?
16. Would the program described in the response to question 14 above come at additional cost? If so, how much more would it cost? Please provide detail on what this difference in cost would be on a fixed-cost basis.
17. Please provide your recommendations for a communications strategy designed to reach all of the potential Program customers (i.e. residential customers, low-income customers, large and small C&I customers).
18. Please list all principal items (e.g., materials, meetings, website, etc.) that are required to be included, or that you feel should be included in, a comprehensive education plan regarding the Program.
19. Please estimate, if you can, the cost of the education, outreach, and related communications necessary to implement a City Program. Please also estimate the annual cost of communications post-implementation, or tell us the average cost of similar activities you've done in the past. (If you wish, you may reference

¹ U.S. Census Bureau as of December 2017—Boston's Estimated Population as of July 1, 2016 equaled 673,184.

the final table in Appendix II to this RFI.)

20. In your opinion, should City seek DPU approval to waive requirement for quarterly distribution of the disclosure label is specified in 220 C.M.R. § 11.06(4)(c)? If so, please describe a suitable, compliant alternative disclosure strategy.
21. What procedure do you recommend for closing and opening accounts within the Program? After the Program has been implemented, what process do you recommend for the enrollment of residents and business owners who are initiating new service accounts? Would electricity customers continue to contact the LDC to request new service?
22. Please describe the rights and responsibilities of those residents and businesses that would participate in the Program. Please note if these vary by rate class.
23. Please describe how firms providing energy and other consulting services to municipal aggregators are compensated. For example, are they compensated on a volume basis or an agreed, fixed contract price? If compensation is set volumetrically please describe how those charges are generally determined and billed. Please list other consultant charges, if any, that are separately reimbursed.
24. Would firms providing energy and other consulting services related to the Program be compensated directly by the City, or would they be compensated by one or more mills added to the \$/kWh for electricity delivered pursuant to the Program (an "Adder")? If the latter, would the City compensate such firms initially, during the pre-implementation phase of the Program, with ongoing services compensated by the Adder post- implementation?
25. Please describe any charges or costs the LDC will charge the City or its contractors arising from or related to the implementation of the Program.

6.0 Procurement of Electricity Supply and Program RECs; Pricing

1. Please describe the principal bid specifications that, in your opinion, must be included in procurements for the purchase of electricity and renewable energy certificates (RECs). Explain how these specifications would help the City achieve its goals, without limiting competition or creative solutions.
2. Please describe the pricing alternatives and terms and conditions that, in your opinion, should be elicited by a competitive procurement for electric supply for the Program. Please describe the criteria you recommend for evaluating competitive suppliers and their electricity and renewable energy offerings. What criteria do you recommend using to evaluate the financial stability of potential suppliers? What are the tradeoffs/risks of different approaches?
3. Please recommend a strategy to minimize the per kilowatt hour price (\$/kWh)

of electricity offered through the Program. State what other strategies you recommend, to hedge against escalations in the price of the electricity supply offered to Program participants. For example, do you recommend fixing the entire aggregate Program load at a single \$/kWh? Do you recommend fixing “blocks” of the aggregated load at various times at different \$/kWh to create an effective, blended \$/kWh? Do you recommend allowing the \$/kWh of a portion of the aggregated Program load to float—that is, to be set in the Day Ahead market—with the \$/kWh of the balance of the aggregated load hedged with fixed price blocks? Do you recommend the use of financial instruments to hedge the risk of \$/kWh increases above a specified level?

4. Please describe the pricing alternatives and terms and conditions that, in your opinion, should be elicited by a competitive procurement for Program RECs. Please describe the criteria you recommend for evaluating REC suppliers and their offerings. What criteria do you recommend using to evaluate the financial stability of potential REC suppliers? What are the tradeoffs/risks of different approaches?
5. Please provide your recommendations for ensuring the orderly transition by Program administrators of supply delivery from incumbent electricity supplier to successor electricity suppliers.
6. Please list Program activities that must be, or those that you recommend be, managed by the Program’s electricity supplier.
7. Please state your criteria for determining whether the Massachusetts Class I RECs that would be offered through the Program are best obtained from electricity suppliers or REC brokers. If this is a matter of opinion, please state why you prefer one source over another.
8. What strategies do you recommend to verify the “additionality” of the renewably generated power that would be offered through the Program? That is, how would you recommend that the City verify that new sources of renewable energy were constructed as a direct result of the implantation of the Program?
9. Please describe all costs associated with each procurement for electricity supply for the Program, and state how those costs are generally calculated. If procured separately, rather than through the electricity supply agreement, please describe all costs associated with each procurement of Program RECs, and state how those costs are generally calculated.
10. If separate brokers are employed to assist with the procurement of electricity supply or Program RECs, how are such brokers generally compensated? Are they compensated on a volume basis or an agreed, fixed contract price?
11. Please state how, in your experience, the per-megawatt hour price of RECs (\$/MWh) varies by quantity. Does the \$/MWh decrease as the quantity

purchased increases, or is the \$/MW price linear?

12. Do you recommend timing Program electricity procurements be timed to coincide with LDC electricity procurements? If not, why not? If not, please state what considerations would influence your decision to enter the market at a given time to purchase electricity for the Program.
13. Do you have any recommendation regarding the length of the term of Program electricity supply agreements? Should the terms of such agreements be of uniform duration? Should the term of such agreements vary? Should there be multiple supply agreements in place for discrete portions of the aggregate load that expire at different times?
14. Please state your degree of confidence that, including the additional cost of the Program RECs required to deliver 5% of renewably generated power above the then current RPS standard, the \$/kWh of Program electricity can be maintained at a level equal to or less than the LDC's default \$/kWh.

7.0 Other Municipal Electricity Aggregations

1. Please state, based on your experience with other municipal aggregations, what the opt-out rates for those other programs have been. If possible, without identifying the specific program, but providing the number of participants originally solicited for the program, please state the opt-out rates by customer rate class
2. What experience do you or does your firm have providing services or commodities to aggregated communities here in the Commonwealth? In addition to providing the number of such aggregations, please provide the aggregate annual kWh for each aggregation, the number of customers served, and the number of low income customers served.
3. Please describe whether in your prior experience the \$/kWh has been the same for all of the rate classes comprising an aggregation, or whether different \$/kWh were offered to different rate classes. If different pricing was used for different rate classes, please explain the basis for the price differentiation.
4. There are currently no time-of-use rates (TOU Rate). Would participation in a municipal aggregation by a resident or business preclude their ability to receive TOU Rates when those TOU Rates become available? Are you aware of municipal aggregations in states with TOU Rates that might provide experience that is relevant and useful?
5. Please state whether any municipal aggregation to which you have provided services or commodities has been terminated. Please describe the circumstances that led to the termination of the aggregation. The focus of your response should be on such factors as features of the terminated program that made post-implementation fulfillment difficult, adverse electricity or REC

pricing, escalating administrative costs, etc.

6. Please state the cost of break-up fees you received, if any, in connection with the termination of any municipal aggregation for which you provided services or commodities. If none of the municipal aggregations in which you participated were terminated, please state your understanding of how such break-up fees, if any, are calculated.
7. Please describe the nature of the complaints made by customers in other municipal aggregations on which you have worked. What mechanism was established for the receipt of those complaints? Who responded to those complaints?
8. Does the City's data regarding its aggregated base load (1.7 billion kWh) correspond to data that you have sourced? If not, please state how you derived the number of kWh for the City's aggregated base load, or identify the source of your data.

8.0 Indicative Pricing

The City is interested in receiving indicative pricing from electricity/energy service providers. All electricity/energy service providers that are currently active in Massachusetts are invited to complete and submit the indicative pricing table provided as Appendix II to this RFI.

9.0 Submitting Questions Regarding the RFI

Questions regarding this RFI must be submitted **no later than 5:00 p.m. Eastern Standard Time March 6, 2018**. Questions may be submitted either (i) via email sent to joseph.larusso@boston.gov (please write "Questions regarding RFI for Community Choice Aggregation" in the subject line of your email), or (ii) via physical delivery made by courier or U.S. Mail, or in-person, to Joseph LaRusso, Environment Department, City Hall Room 709, One City Hall Square, Boston MA 02201-2023. If you submit questions via physical delivery, please write "Questions regarding RFI for Community Choice Aggregation" on the envelope that contains your question(s).

Written responses to questions submitted by the deadline will be provided no later than 5:00 p.m. Eastern Standard Time March 9, 2018 to all individuals on record as having received a copy of the RFI (unless the time for responding to questions is extended after providing notice to all individuals on record as having received a copy of the RFI).

10.0 Optional Meeting for Potential Respondents

An optional meeting will be convened at 1:00 p.m. Eastern Daylight Time, March 13, 2018 in City Hall Room 900. The purpose of the meeting will be to discuss the RFI, and the written responses to questions regarding the RFI, and any and all topics related to the subject matter of the RFI.

11.0 Responding to the RFI

Written responses to this RFI should be delivered **no later than 5:00 p.m. Eastern Daylight Time on March 20, 2018** either (i) by electronic delivery, made via the City's Supplier Portal (<http://bit.ly/2nRvs6b>--navigate to Event ID EV00005152); (ii) via electronic mail, or (iii) by physical delivery made via courier, U.S. Mail, or in-person, to Joseph LaRusso, Environment Department, City Hall Room 709, One City Hall Square, Boston MA 02201-2023 (joseph.larusso@boston.gov).

If you experience difficulty submitting your response via the Supplier Portal and require assistance, please telephone (617) 961-1058.

If you submit a response via electronic mail, please place "Response to RFI regarding Community Choice Aggregation" in the subject line of your email.

If you submit a response via physical delivery, whether by courier, U.S. Mail, or in-person, please write "Response to RFI regarding Community Choice Aggregation" on the envelope that contains your response.

12.0 Public Records; Materials Subject to Public Disclosure

All written responses to this RFI, or other written materials or presentations submitted in response with this RFI, or written questions regarding this RFI submitted in accordance with Section 9.0 above, including return email addresses if questions or RFI responses are delivered via email, will become public records under the Commonwealth of Massachusetts Public Records Law (Massachusetts General Laws chapter 66 section 10; the "Public Records Law") upon submission, **regardless of any confidentiality notices that may be set forth on such written responses, materials, presentations, or questions.** All such responses, materials, presentations, and questions are subject to public disclosure unless they, or any portions thereof, are otherwise exempted from the requirements of the Public Records Law pursuant to General Laws Chapter 4, Section 7(26).

APPENDIX I

**CITY OF BOSTON COMMUNITY CHOICE AGGREGATION RFI
RESPONSE FORM COVER SHEET**

Firm Name¹: _____

Contact Name²: _____

Street: _____

City: _____

Zip: _____

Telephone³: _____

Email Address³: _____

¹ For companies only. Please identify the individual serving as your point of contact under “Contact Name.”

² Individuals who are unaffiliated with a business should provide their names here, under “Contact Name.”

³ Optional for individuals. See Section 12 of the RFI captioned “Public Records; Materials Subject to Disclosure,” to learn more about the disclosure of information that you provide when posing questions regarding the RFI, or responding to the RFI.

Please provide your responses to the following questions (you may reply to as many, or as few questions as you like), by typing in the text boxes that follow each question.

Please provide a brief description of your company (*please include a summary of the experience that qualifies you to provide responses to the questions you choose to answer below*). Unless they wish to, individuals unaffiliated with a business need not provide such a summary of qualifying experience.

Municipal Aggregation Program Implementation and Administration

1. Would you recommend that the City complete a feasibility study? If so, please describe the steps necessary to conduct a thorough feasibility study to assess the risks, costs, and potential benefits of providing electricity supply and related energy services to its residents and businesses via a municipal aggregation program (the “Program”)

2. Please describe both the required and recommended steps for implementing the Program, including the offering of related energy services. How would you assess the administrative cost to the City, measured both in terms of the number of City employees needed to manage the program internally (expressed as full time equivalent positions) and other related costs?

3. Please provide a timeline or Gantt chart for implementation of the Program, indicating all milestones. Do not use dates: use numbered days to indicate the amount of time between milestones.

4. Please list all required and recommended reporting requirements for the Program.

5. Please describe a recommended organizational structure for the successful administration of the Program. If possible, please cite examples based upon your own experience.

6. Please describe the consultations, if any, with the Department of Energy Resources or Department of Public Utilities, or any other agency with jurisdiction over the Program, or Eversource, the City's local distribution company (LDC), that are required or that you recommend, either during the implementation phase or thereafter. Please list any filings that are required to be submitted to those agencies either during the implementation phase or thereafter.

7. Please describe what you believe to be best practices for the sharing of customer information and data, between the City and its LDC.

8. Please state whether it would be possible for the City to receive account level usage data for those residents and businesses enrolled in the Program, and the purposes for which the City could use that data.

9. Do you recommend that the City retain primary responsibility for developing Program communications, or should primary responsibility for such communications be delegated to a contractor?

10. Please describe your recommendations regarding the scope and the methods for conducting a successful public outreach and education plan to ensure that residents and businesses are fully informed about the aggregation, and are equipped to make sound personal decisions regarding whether or not to join the aggregation based on that information. Bear in mind the extent of the City's geography, and that the City's policy is to provide communications to residents and businesses in no fewer than six languages. Please describe with specificity (frequency, content, etc.) the communications necessary to implement the Program, and the communication necessary to sustain it.

11. How have you typically engaged residents of the communities as part of the municipal aggregation process?

12. Which metrics have you used to measure the success of your community engagement efforts? For example, by measuring the percentage of residents that were contacted, the percentage of residents responding to an inquiry, the percentage of residents attending a community meeting, or one or more other metrics?

13. What results were you able to achieve measured against the metrics described in the previous response?

14. The City has approximately 673,000 residents and a high expectation for community involvement on public initiatives. The City has approximately 191,000 residential accounts, approximately 25,000 small commercial accounts, and approximately 7,000 large commercial accounts currently receiving Basic Service from the LDC. The total annual Basic Service electric load for those accounts equals 1,756,234,952 kWh. How would you measure the success of a municipal aggregation community engagement strategy for Boston?

15. How would you modify community engagement strategies you have supported or observed for other municipal aggregations to ensure that a community outreach program here in Boston would be successful?

16. Would the program described in the response to question 14 above come at additional cost? If so, how much more would it cost? Please provide detail on what this difference in cost would be on a fixed-cost basis.

17. Please provide your recommendations for a communications strategy designed to reach all of the potential Program customers (i.e. residential customers, low-income customers, large and small C&I customers).

18. Please list all principal items (e.g., materials, meetings, website, etc.) that are required to be included, or that you feel should be included in, a comprehensive education plan regarding the Program.

19. Please estimate, if you can, the cost of the education, outreach, and related communications necessary to implement a City Program. Please also estimate the annual cost of communications post-implementation, or tell us the average cost of similar activities you've done in the past. (If you wish, you may reference the final table in Appendix II to this RFI.)

20. In your opinion, should City seek DPU approval to waive requirement for quarterly distribution of the disclosure label is specified in 220 C.M.R. § 11.06(4)(c)? If so, please describe a suitable, compliant alternative disclosure strategy.

21. What procedure do you recommend for closing and opening accounts within the Program? After the Program has been implemented, what process do you recommend for the enrollment of residents and business owners who are initiating new service accounts? Would electricity customers continue to contact the LDC to request new service?

22. Please describe the rights and responsibilities of those residents and businesses that would participate in the Program. Please note if these vary by rate class.

23. Please describe how firms providing energy and other consulting services to municipal aggregators are compensated. For example, are they compensated on a volume basis or an agreed, fixed contract price? If compensation is set volumetrically please describe how those charges are generally determined and billed. Please list other consultant charges, if any, that are separately reimbursed.

24. Would firms providing energy and other consulting services related to the Program be compensated directly by the City, or would they be compensated by one or more mills added to the \$/kWh for electricity delivered pursuant to the Program (an "Adder")? If the latter, would the City compensate such firms initially, during the pre-implementation phase of the Program, with ongoing services compensated by the Adder post- implementation?

25. Please describe any charges or costs the LDC will charge the City or its contractors arising from or related to the implementation of the Program.

Procurement of Electricity Supply and Program RECs; Pricing

1. Please describe the principal bid specifications that, in your opinion, must be included in procurements for the purchase of electricity and renewable energy certificates (RECs). Explain how these specifications would help the City achieve its goals, without limiting competition or creative solutions.

2. Please describe the pricing alternatives and terms and conditions that, in your opinion, should be elicited by a competitive procurement for electric supply for the Program. Please describe the criteria you recommend for evaluating competitive suppliers and their electricity and renewable energy offerings. What criteria do you recommend using to evaluate the financial stability of potential suppliers? What are the tradeoffs/risks of different approaches?

3. Please recommend a strategy to minimize the per kilowatt hour price (\$/kWh) of electricity offered through the Program. State what other strategies you recommend, to hedge against escalations in the price of the electricity supply offered to Program participants. For example, do you recommend fixing the entire aggregate Program load at a single \$/kWh? Do you recommend fixing “blocks” of the aggregated load at various times at different \$/kWh to create an effective, blended \$/kWh? Do you recommend allowing the \$/kWh of a portion of the aggregated Program load to float—that is, to be set in the Day Ahead market—with the \$/kWh of the balance of the aggregated load hedged with fixed price blocks? Do you recommend the use of financial instruments to hedge the risk of \$/kWh increases above a specified level?

4. Please describe the pricing alternatives and terms and conditions that, in your opinion, should be elicited by a competitive procurement for Program RECs. Please describe the criteria you recommend for evaluating REC suppliers and their offerings. What criteria do you recommend using to evaluate the financial stability of potential REC suppliers? What are the tradeoffs/risks of different approaches?

5. Please provide your recommendations for ensuring the orderly transition by Program administrators of supply delivery from incumbent electricity supplier to successor electricity suppliers.

6. Please list Program activities that must be, or those that you recommend be, managed by the Program's electricity supplier.

7. Please state your criteria for determining whether the Massachusetts Class I RECs that would be offered through the Program are best obtained from electricity suppliers or REC brokers. If this is a matter of opinion, please state why you prefer one source over another.

8. What strategies do you recommend to verify the "additionality" of the renewably generated power that would be offered through the Program? That is, how would you recommend that the City verify that new sources of renewable energy were constructed as a direct result of the implantation of the Program?

9. Please describe all costs associated with each procurement for electricity supply for the Program, and state how those costs are generally calculated. If procured separately, rather than through the electricity supply agreement, please describe all costs associated with each procurement of Program RECs, and state how those costs are generally calculated.

10. If separate brokers are employed to assist with the procurement of electricity supply or Program RECs, how are such brokers generally compensated? Are they compensated on a volume basis or an agreed, fixed contract price?

11. Please state how, in your experience, the per-megawatt hour price of RECs (\$/MWh) varies by quantity. Does the \$/MWh decrease as the quantity purchased increases, or is the \$/MW price linear?

12. Do you recommend timing Program electricity procurements be timed to coincide with LDC electricity procurements? If not, why not? If not, please state what considerations would influence your decision to enter the market at a given time to purchase electricity for the Program.

13. Do you have any recommendation regarding the length of the term of Program electricity supply agreements? Should the terms of such agreements be of uniform duration? Should the term of such agreements vary? Should there be multiple supply agreements in place for discrete portions of the aggregate load that expire at different times?

14. Please state your degree of confidence that, including the additional cost of the Program RECs required to deliver 5% of renewably generated power above the then current RPS standard, the \$/kWh of Program electricity can be maintained at a level equal to or less than the LDC's default \$/kWh.

Other Municipal Electricity Aggregations

1. Please state, based on your experience with other municipal aggregations, what the opt-out rates for those other programs have been. If possible, without identifying the specific program, but providing the number of participants originally solicited for the program, please state the opt-out rates by customer rate class

2. What experience do you or does your firm have providing services or commodities to aggregated communities here in the Commonwealth? In addition to providing the number of such aggregations, please provide the aggregate annual kWh for each aggregation, the number of customers served, and the number of low income customers served.

3. Please describe whether in your prior experience the \$/kWh has been the same for all of the rate classes comprising an aggregation, or whether different \$/kWh were offered to different rate classes. If different pricing was used for different rate classes, please explain the basis for the price differentiation.

4. There are currently no time-of-use rates (TOU Rate). Would participation in a municipal aggregation by a resident or business preclude their ability to receive TOU Rates when those TOU Rates become available? Are you aware of municipal aggregations in states with TOU Rates that might provide experience that is relevant and useful?

5. Please state whether any municipal aggregation to which you have provided services or commodities has been terminated. Please describe the circumstances that led to the termination of the aggregation. The focus of your response should be on such factors as features of the terminated program that made post-implementation fulfillment difficult, adverse electricity or REC pricing, escalating administrative costs, etc.

6. Please state the cost of break-up fees you received, if any, in connection with the termination of any municipal aggregation for which you provided services or commodities. If none of the municipal aggregations in which you participated were terminated, please state your understanding of how such break-up fees, if any, are calculated.

7. Please describe the nature of the complaints made by customers in other municipal aggregations on which you have worked. What mechanism was established for the receipt of those complaints? Who responded to those complaints?

8. Does the City's data regarding its aggregated base load (1.7 billion kWh) correspond to data that you have sourced? If not, please state how you derived the number of kWh for the City's aggregated base load, or identify the source of your data.

APPENDIX II

Only those individuals or companies qualified to provide indicative pricing should complete this section.

CITY OF BOSTON INDICATIVE PRICING

Electric + REC Rate (\$/kWh)

Program Expenses

May 2017 Pricing for 50% of 1,756,234,952 kWh Requirement (Start Month: January 2018)				
Term (months)	Residential	Commercial	Industrial	Combined
6	\$	\$	\$	\$
12	\$	\$	\$	\$
18	\$	\$	\$	\$
24	\$	\$	\$	\$
30	\$	\$	\$	\$
36	\$	\$	\$	\$

Adders to Price for RECs for above 50% Requirement Pricing (Start Month: January 2018)			
Product	Price for 1%	Price for 5%	Price for 100%
Class I VREs	\$	\$	\$
ME Class II	\$	\$	\$
National RECs	\$	\$	\$
Carbon Offsets	\$	\$	\$

November 2017 Pricing for 50% of 1,756,234,952 kWh Requirement (Start Month: January 2018)				
Term (months)	Residential	Commercial	Industrial	Combined
6	\$	\$	\$	\$
12	\$	\$	\$	\$
18	\$	\$	\$	\$
24	\$	\$	\$	\$
30	\$	\$	\$	\$
36	\$	\$	\$	\$

Adders to Price for RECs for above 50% Requirement Pricing (Start Month: January 2018)			
Product	Price for 1%	Price for 5%	Price for 100%
Class I VREs	\$	\$	\$
ME Class II	\$	\$	\$
National RECs	\$	\$	\$
Carbon Offsets	\$	\$	\$

Community Engagement Program (Start Month: July 2018)				
Months	Residential	Commercial	Industrial	Combined
0-6	\$	\$	\$	\$
6-12	\$	\$	\$	\$
12-18	\$	\$	\$	\$
18-24	\$	\$	\$	\$
24-30	\$	\$	\$	\$
30-36	\$	\$	\$	\$

* Please estimate the amounts required for community engagement for each of the semi- annual periods above. The early periods should reflect the cost of initial community engagement (e.g., materials, meetings, website, etc.) to establish and implement the Program.