

Cape Light Compact – 2015 RFP for Municipal Electric Accounts

Hello Everyone

Thank you to all who attended, and/or responded to my earlier email on this subject.

I think we had a very productive meeting on 12/18 on the state of electric markets in Massachusetts and the various options for procuring electricity for our municipal accounts. The outcome of last Thursday's discussion was to :

- Issue an RFP this January for a fixed priced for electricity supply.
- We would ask suppliers for one, two and three year fixed pricing options
- We acknowledged and agreed that the RFP will be structured so that if one participant rejects the bid, the bid will not be binding, so the bid will not be available to any other participant. This is necessary to ensure that the suppliers are providing the best pricing. So, you should not participate in the RFP if you are doing so just as a pricing exercise because one town/district/county not accepting the agreed upon bid will result in all of us rejecting the bid
- The Compact will provide to each Town what it understands to be the Town's current list of electric accounts. If the Town doesn't provide edits, those accounts will be included in the RFP.
- Representatives from the towns/districts/county will, as we have done in the past, participate in the bid selection in person or by proxy.
- Bids will be accepted and contract executed the day we select the winning bidder

Looking ahead beyond 2016/2017, we agreed that it was worth exploring contracts based on layered hedges, not necessarily on a fixed price over the term of the contract. This approach would give the Town's some flexibility in terms of how much risk they'd be willing to take on, and some ability to fix prices for specified time periods. It was agreed that this might make particular sense if the term of such a contract could coincide with changes in natural gas capacity that could dramatically alter prices.

Have a happy and health holiday season!

Maggie