

THE TOWN OF LONDONDERRY ADVANCES ITS COMMUNITY CHOICE AGGREGATION PROGRAM

The Town of Londonderry continues to make steady progress in the development of its Community Choice Electric Aggregation Program. The town expects to receive state approval for its plan in the fall and hopes to launch its program in early 2025. Here, the Londonderry Utilities Committee, led by chair Lynn Wiles, explains what it is and how it can benefit the residents of Londonderry.

What is Community Choice Aggregation?

Community Choice Aggregation (CCA) allows municipalities to combine the purchasing power of its residents and businesses to provide them with an alternative electricity supply option. CCA has proven to be a valuable replacement for the utility default service option by delivering choice and price stability.

For over two decades, individual consumers in New Hampshire have had the ability to purchase electric supply directly from a competitive electric supplier rather than from their local utility. While consumer choice has been a success for most commercial consumers, results have been mixed for residential and small business consumers, and most Londonderry residents continue to purchase their electricity supply from their utility company, either Eversource or NH Electric Coop (NHEC).

The challenge for many competitive electric suppliers is profitably serving individual residential or small business consumers at rates that are consistently lower than utility default service. CCA overcomes this fundamental challenge because large buying groups attract robust participation from leading electric suppliers. As a result, CCA programs can help bring the benefits of the competitive market to consumers who have been previously left out.

How will Londonderry's CCA Program Work?

Londonderry's CCA program will enter into electricity supply contracts for residential and business consumers currently receiving default service from Eversource or NHEC. Consumers will be automatically enrolled in the program unless they elect to opt-out. Consumers under contract with third-party competitive electric suppliers will not be automatically enrolled in the program, though they may opt in after their individual contract ends. Participation in the program is entirely optional. Consumers can opt-out at any time without penalty or opt-in later with no entry fee. Further, the program is entirely self-funded with no costs imposed on the town or on non-participating consumers.

Under Londonderry's CCA program, Eversource and NHEC will continue to deliver the electricity, maintain poles and wires, read electric meters, and issue monthly bills. The CCA program will only affect the electricity supply charge on the utility bill.

The CCA Program Provides Benefits for Londonderry Residents

The opportunity for the CCA program to offer more attractive rates compared to utility default service arises from differences in electricity procurement methods. A CCA program can purchase electricity at strategic times, seeking to lock-in contracts at low points in the market. By comparison, the utilities follow a routine schedule, purchasing default service supply every six months regardless of market conditions.

Local decision making and control is a valuable attribute of Londonderry's Program. Londonderry will be able to set its own energy-related goals based on priorities and preferences of its residents. Londonderry expects to offer optional products that consumers can opt into, typically products that include higher renewable energy content at modestly higher rates. CCA programs can provide the necessary foundation for municipalities to pursue local energy development projects or unique energy services.

Find Out More: Attend the Public Hearing on June 29

Londonderry's Utilities Committee looks forward to providing more details about its program plan and addressing any questions from the public on June 29 at Town Hall.