

TOWN OF HANOVER 550 HANOVER STREET, SUITE 120 HANOVER, MASSACHUSETTS 02339

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Joe Colangelo Town Manager

MEMO

To: Hanover Select Board From: Luke Hoyes, Intern Date: May 25, 2023

Re: Municipal Aggregation – Consultant/Broker Recommendation

At the May 1st 2023 Annual Town Meeting voters provided the Select Board authority¹ to move municipal aggregation forward, the first necessary step of a multi-step process.

The second necessary step is for the Town to retain the services of a consultant/broker who will help Hanover develop a municipal aggregation plan, move the plan through the regulatory approval process, and provide support services once Hanover is enrolled in an aggregation agreement.

There are three approved consultant/brokers for municipal aggregation in Massachusetts: Colonial Power, Mass Power Choice, and Good Energy. The Town Manager, Assistant Town Manager, and Interns interviewed the three firms on May 22 and 23rd. All three companies are reputable, professional, have proven track records of success, provide services to multiple Massachusetts municipalities, and charge the same \$0.001/kWh fee for their service. At the end of the day, Hanover would be served well by any of these consultant/brokers.

Consumer cost(s) for power under municipal aggregation agreements are determined primarily by three factors: length of contract, timing of entry into the market, and the community power load. Two of the companies emphasized contract length and timing as the predominant factors; one company placed more weight on power load relative to the others.

When evaluating options, we focused on four main values. 1) "fit" 2) quality of communication throughout the process 3) customer support 4) regulatory compliance. It is our judgement that Mass Power Choice is the best option for Hanover and we recommend the Select Board provide the Town Manager authority to enter into a consultant/broker agreement with them.

If the Select Board provides this authority, we would move forward with formal contract documents and invite Mass Power Choice to the next available Select Board meeting – ideally June 20th – to provide a presentation to the Board and community.

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¹ Article 21 of the 2023 Annual Town Meeting approved by voters: To see if the Town will vote to grant the Select Board authority to research, develop and participate in a contract, or contracts, to aggregate the electricity load of the residents, businesses and local government entities in the Town of Hanover and for other related services, independently, or in joint action with other municipalities, retaining the right of individual residents and businesses to opt-out of the aggregation, or take any other action relative thereto.