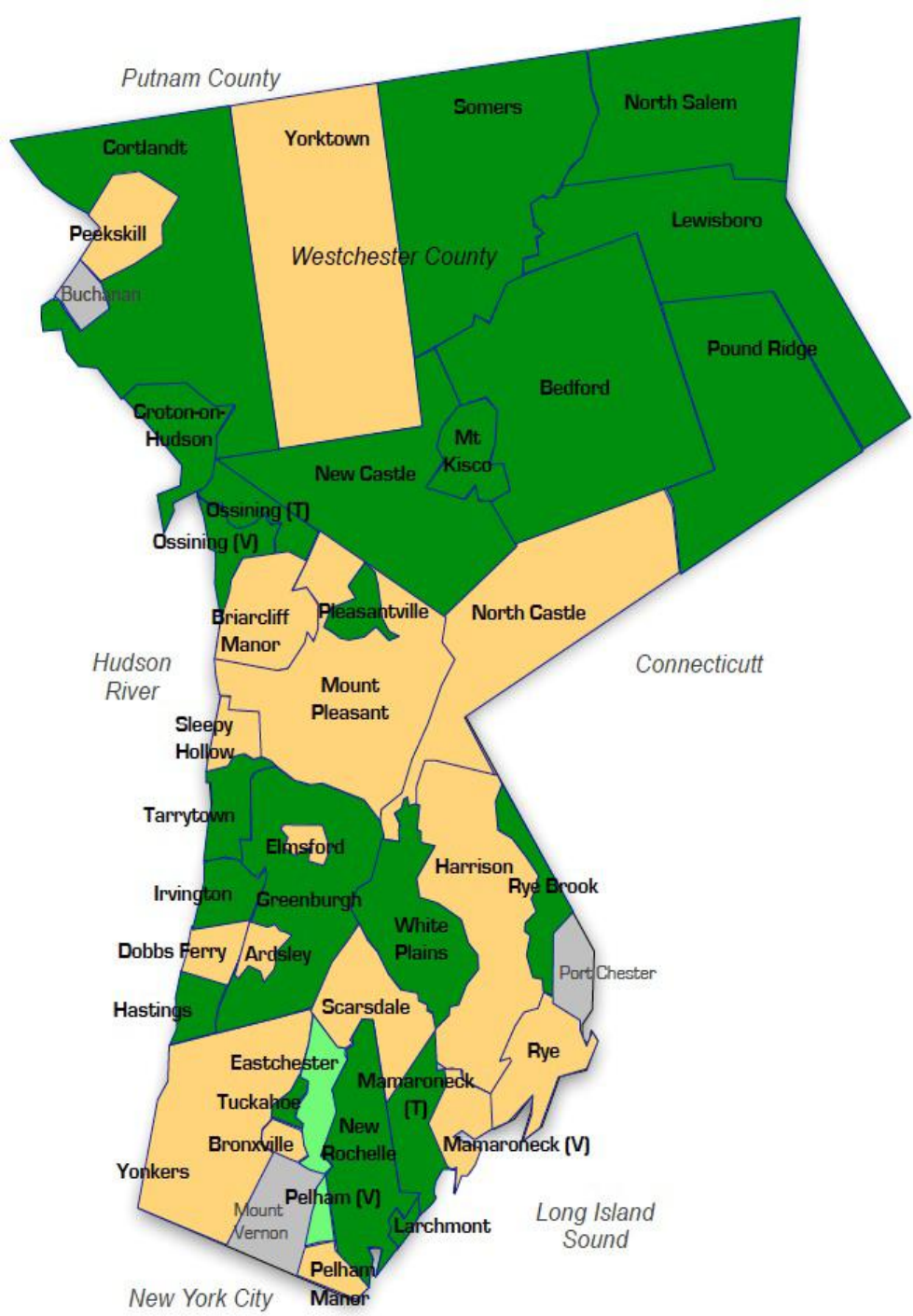




WESTCHESTER SMART POWER: ESA Contract Re-cap & Q&A Session Webinar

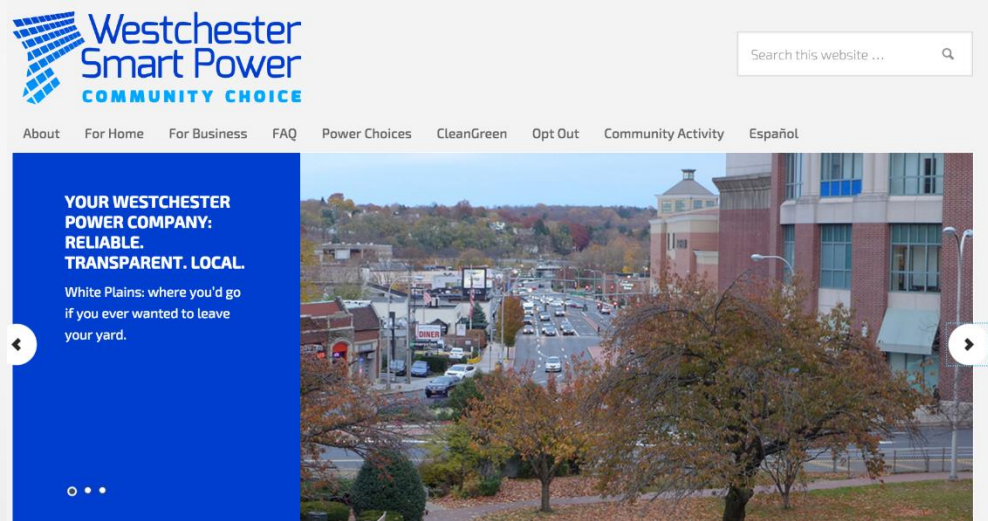
November 30th, 2015

sustainablewestchester.org



Webinar agenda

1. Review Last Week's Webinar Highlights
2. ESA Contract Timeline
3. ESA Contract Overview
4. Live Broadcast Q&A session
5. Next steps



Weekly Webinar Series-Highlights from 11/23

- Thank you for joining us last week to discuss the CCA Implementation Process in Westchester!
- Key Highlights:
 - ESA Self-Effectuating Contract: Find the contract here: <http://sustainablewestchester.org/community-toolkits/cca>
 - View the recording here
 - Download the slides here
- Please use the chat function to submit questions during our session—we will do our best to address them

Energy Services Agreement (Contract) Timeline

1. Meetings (**Week of 11/30**) If you have not yet scheduled, contact Glenn Weinberg: gtweinberg@gmail.com
2. Revised version of contract distributed (**12/4 or 12/7**)
3. Contractor(s)/ accounting firms selected (**December 18th**)
4. Sign Self-Effectuating ESA Contract (**December 14-23rd**)

ESA Contract Overview

- **Tri-Party Energy Services Agreement** (Sustainable Westchester, Municipality and Supplier)
- **Self-Effectuating**
 - Credit worthiness—How do we vet suppliers?
 - Compliance—How do we know we're getting a compliant bid?
 - Advantage—Why use a self-effectuating contract?
- **Municipal Protections**
 - Fixed price bid must be lower than trailing 12 month utility average rate
 - Free Opt-out anytime
 - What about ESCO customers and other new opt-in customers?

Energy Service Agreement

- Download <http://sustainablewestchester.org/community-toolkits/cca>
- Municipality, Sustainable Westchester, and ESCO will each sign tri-party Energy Service Agreement
- *Responsibilities:*
 - **Municipality**
 - Notify residents of program with help from SW & ESCO
 - **Sustainable Westchester**
 - Provide service as CCA Program Manager
 - Manage public communications (web portal) with Bedford2020
 - Reporting requirements with State and all other program partners
 - **ESCO**
 - Provide supply for duration of contract
 - Coordinate customer opt in/opt outs with ConEdison/NYSEG on a monthly basis

Energy Service Agreement



- Outline
- Resolution (pages 1-2) “Recitals”
 - The resolution provides the context and grounding for authority to enter into such a contract.
- Article 1 Definitions (pages 3-6)
 - Definitions used here will be tailored to New York State law and are standard in energy procurement contracts.
- Article 2 Rights Granted (pages 6-9)
 - Page 7 (up to 2.2) grants the ESCO the right to serve commodity and outlines the way the process works in electricity markets, when a customer seeks out a competitive supplier. It also includes protections for the municipalities in the event the supplier mishandles data.
 - 2.3 Limits Representations to only the items that the municipality and Sustainable Westchester are respectively responsible for.
 - 2.4 Ensures that the supplier meets and maintains all qualifications for delivery of power.
 - 2.5 is data protection. Exclusions apply only to a supplier’s other marketing efforts that have nothing to do with the program, and are not in any way informed by the program (e.g. some of these suppliers may buy national lists and reach out to them; asking suppliers to sort this out in specific geographies would likely discourage any and all bids)

Energy Service Agreement



- Outline
- Article 3 Consumer Choice, Notification..., Enrollment (pages 10-12)
 - 3.2 This language will work if we get a supplier who will commit to destroying records of those who opt out.
 - 3.4 Ensures that no fee for dis-enrolling is ever applied. It also protects entering customers, whether they enter from an existing ESCO contract or they move into the municipality.
- Article 4 Term of Contract and Termination (pages 13-14)
 - 4.2 Termination is possible only if a party fails in a material manner. It's allowed, but not required, and the decision-maker on termination is the aggrieved party.
- Article 5 Continuing Covenants (pages 14-18)
 - 5 Outlines all actions required by the Supplier and ensures that all requirements is, in fact, all requirements. It also ensures message control by either the municipality or by Sustainable Westchester, as the municipalities' designee, and it ensures we get aggregate data from the supplier.
 - 5.5 Gives us the opportunity to save additional money if residents achieve energy efficiencies

Energy Service Agreement

- Outline
- Article 6 Role of Municipality (pages 18)
- Defines what a municipality is not doing, to ensure protection under GML 360.
- Article 7 Role of Program Manager (pages 18-19)
- 7.1 We will add a more precise description of the role of the Program Manager here. Per PSC order, the Program Manager is Sustainable Westchester.
 - Provide service as CCA Program Manager
 - Manage public communications (web portal) with Bedford2020
 - Reporting requirements with State and all other program partners
- Article 8 Prices and Services, Billing (pages 19-21)
- Describes the billing approach, as we described it in your hearings.
- It also ensures additional requirements are met for full delivery of product at no additional cost beyond that outlined in the supplier's bid.
- Further, the tax section ensures that the Gross Receipts Tax is collected, which some suppliers choose not to do. This assurance protects against any loss of tax revenue by the municipality.

Energy Service Agreement



- Outline
- Article 9 Development...of Renewable Energy Sources (page 21)
- The state requires certain renewable purchases. If we did not have this clause, we would face hidden costs.
- Article 10 Service Protections for Residential Customers (pages 21-22)
- Protects against unfair disconnection of service and retains our right to advocate for a consumer, without requiring us to do so.
- Article 11 Non-discrimination in hiring and employment (pages 22)
- Self-explanatory and standard clause.
- Article 12 Power Supply Information (pages 22-23)
- 12.1.2 We're not sure we want this clause.
- 12.2 This is not necessarily do-able in New York State for the default supply, though any entirely renewable supply source will need this clause.
- Article 13 Resolution of disputes; Choice of law and forum (pages 23-24)
- We'd welcome your thoughts on dispute resolution and forum.

Energy Service Agreement

- Outline
- Article 14 Indemnification (page 24)
- Please note that the indemnification is uni-directional, protecting only the municipality.
- Article 15 Representations and Warranties (pages 25-26)
- We've limited the municipality's Reps to basically the Local Law process having been done correctly.
- Article 16 Insurance (pages 26)
- Self-explanatory and standard clause.
- Article 17 Regulatory Event/New Taxes (pages 27)
- Self-explanatory and standard clause.
- Article 18 Miscellaneous (pages 27-32)
- Details of the program are included here.

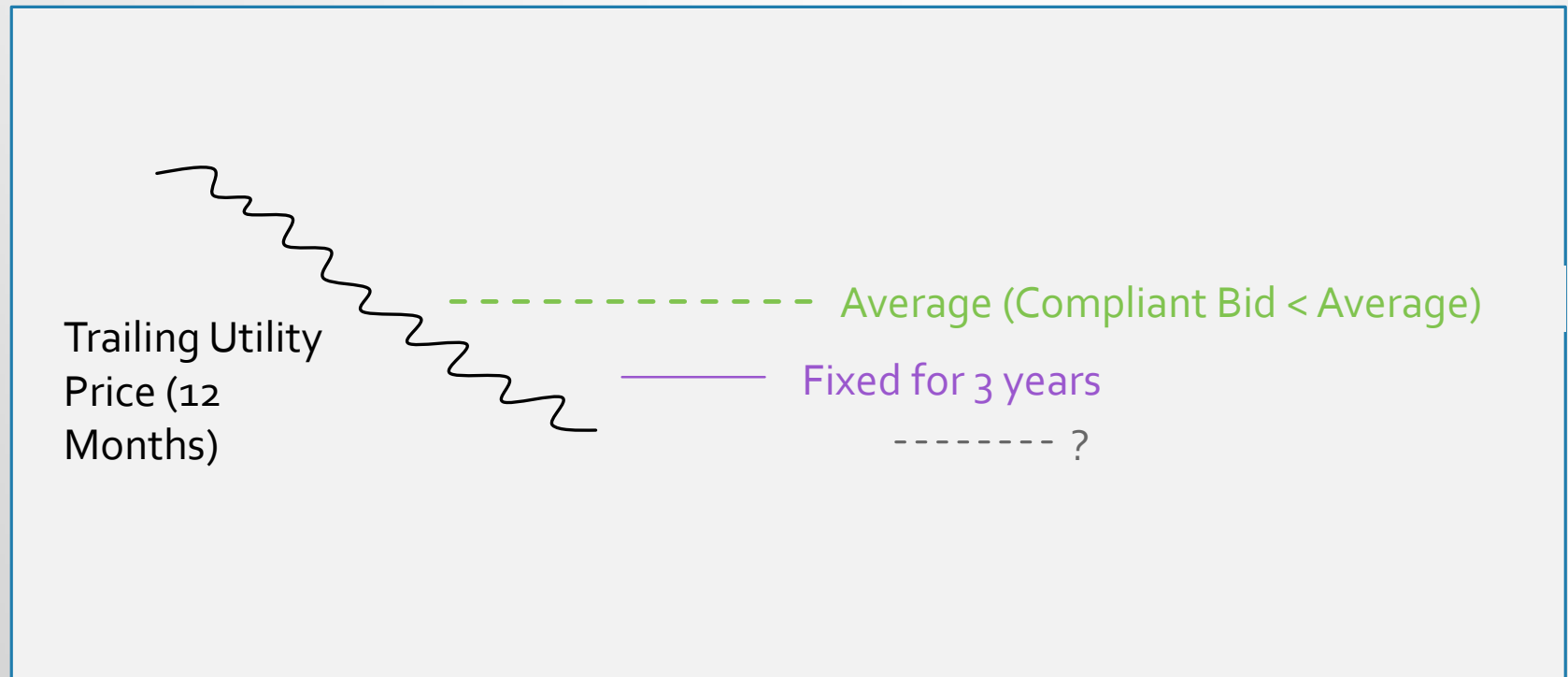
Energy Service Agreement

- Outline
- Exhibit A-1 (page 33-34)
- Prices and Terms:
 - Rate for Fixed Price (below 12 month trailing average of utility supply)
- Exhibit A-2 (page –to come--)
- Prices and Terms:
 - Rate for 100% Renewable Price option
- Exhibit B (page 35)
- Template summary data for each Municipality
- Exhibit C (page 36)
- Payment Schedule

MUNICIPAL PROTECTIONS

- **Fixed price bid must be lower than trailing 12 month average price**
- **Free customer opt-out anytime - limits risk while maximizing upside**
- **Renewable rate gets lower with energy efficiency and local renewables**
- **Municipality is indemnified by ESCO**

Fixed Rates: Lower Than Previous 12-Month average



Answering your Questions:

- Please use the chat function to submit questions
- We will begin by answering questions that were submitted during last week's webinar
- Any questions that are not answered today will be addressed through follow-up e-mails

Questions, Comments, Concerns? Contact:



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