

Good Morning Madam President and Councilors,

As you may be aware, the City's three-year electrical aggregation contract expires on November 1st of this year.

If you are unaware with this process, the City, on behalf of its residents, has the ability to go out to bid for electrical rates to help residents assist in savings over the long term by obtaining a fixed rate for residents rather than utilizing a variable electricity rate through National Grid. This program is an option for residents of the City for the electricity that they use. The City does not make or expend any money in this program, it is simply a service we provide. Furthermore, residents have the option to opt in or opt out of this program at any time with no charge or fee from the City's provider.

Back in 2019, when the last contract was signed, the rate per kilowatt hour (kWh) was approximately \$0.13 per kWh. As with most things in the recent years, electric rates have gone up since then substantially. After going out to bid three separate times, the lowest bid the City was able to obtain for our new contract is \$0.23787 per kWh. While this is approximately a ten cent per kilowatt hour increase, National Grid released their new rate to for the year at \$0.33891 per kWh- ten cents higher than our new rate. Therefore, the City's electrical aggregation rate is still a better option for our residents at this time.

Understanding that the anomalies in the market are what they are currently and that inflationary trends in the market right now are causing prices to be higher, I have decided to go with the recommendations of our consultant – Constellation Power Group – and have signed this as a one-year contract instead of a three year contract to see if we can obtain a lower rate next summer. Several municipalities have opted for similar contract lengths in order to try to watch the market and obtain a better rate for our residents.

The attached post card will be mailed out to all residents next week regarding this program and its changes.

Respectfully,

Mike Nicholson

Michael J. Nicholson, J.D.

Mayor, City of Gardner

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