



Power market changes will cost consumers

Nearly nine years after deregulation, electricity consumers across the state continue to be hit with higher costs. New wholesale power market rules set to begin December 1 will push prices up even more.

Changes in the way electricity generators are paid are expected to cost Groton consumers more than \$700,000 in 2007, a figure that will rise to more than \$1 million in additional costs by 2010. Fortunately, next year's extra costs will be offset by about \$400,000 in revenue from Groton Electric's existing entitlement interests in generating units such as the Seabrook, N.H. power plant.

The changes are part of a new payment system approved by federal regulators this year. The plan calls for a three and a half year transition period beginning in December 2006, followed by implementation of a totally new "Forward Capacity Market" system in 2010.

Proponents of the new system say it is needed in order to increase regional reliability by providing incentives for power plant owners to build new plants. But municipal utilities, including Groton Electric, opposed the new marketplace rules because of the high cost to consumers with no guarantees that plants will be built.

"Public power advocates, including Groton Electric, fought long and hard for consumers during the negotiation process," said Groton Electric Manager Doris Chojnowski. "Were it not for our combined efforts, the changes originally proposed would have cost Groton nearly \$1.3 million in 2007."

However, while we won some important concessions, the new marketplace rules will ultimately cost our customers—along with consumers throughout New England—millions of dollars.

These latest cost increases are the result of electric industry deregulation, introduced here in 1998 amidst promises of lower costs for all consumers. Nearly nine years later, New England's wholesale power markets have yet to work as promised, and prices are escalating with no end in sight.

As the wholesale energy markets continue to evolve, Groton Electric will continue to work with the region's other municipal utilities to oppose unfair costs. Unfortunately, despite our efforts, deregulation has not yielded benefits for the consumer.

Continuing efforts to reduce demand

Our thanks to the Groton School for their pioneering efforts to help cut power costs for the school and the entire town. They will again be part of a program this winter to see if electric users can adjust their power use enough to take advantage of new rules in the wholesale electric marketplace. The operator of the New England electric grid (ISO-NE) is running this program to test the reliability of demand reduction and verify whether electric users can be reliable enough to assist in meeting the region's power needs. The amount of electricity that the Groton School has agreed to reduce is equivalent to a subdivision of 76 homes turning off 100% of their power. The payments for this program will be comparable to the payments that generators will be receiving in the new "Forward Capacity Market" mentioned in the lead article.

Groton Electric Light is the first and only municipal utility in Massachusetts to enroll one of its large users in this program aimed at encouraging utilities and their customers to work together in order to hold costs down for all. We applaud the Groton School's efforts. For electric markets to function in our deregulated marketplace, electric users need to be able to lower their power use when wholesale prices escalate. For more information on energy conservation, go to the energy conservation page at www.grotonelectric.org.

Groton signs on to generating project

With generation in tight supply, the Massachusetts Municipal Wholesale Electric Company has proposed a 280-megawatt (MW) natural gas and oil-fired power plant to be built at its Stony Brook Energy Center in Ludlow. Groton Electric recently signed an agreement to fund a portion of the plant's development work, based on a 4.2 MW share of its eventual output. Current forecasts put our uncovered baseload need (constant minimum electrical need) at 7.5 MW, for the 2010-2012 timeframe.

METER IMPROVEMENTS

New technology is coming

This fall we will be working to replace all existing electric meters with new, solid state meters. The change will result in a brief loss of service, so watch for notices of when we'll be in your neighborhood.

Automatic Meter Reading is coming to Groton this month, as we begin replacing all electric meters with updated models capable of being read via two-way radio communication. Our plan is to have all 4,400 meters in town replaced by early next year.

You will lose electricity for several minutes when the change occurs, so we will make every effort to give you advance notice of when we plan to switch your meter. Along with letting you know the week that we intend to be in your area, we will also ring your doorbell before the actual switch takes place.

In order for us to safely install a new meter, your meter socket must be in good condition. Groton Electric owns and maintains all electric meters, but the meter socket—the fitting that attaches the meter to your home or building—is each customer's responsibility.

Due to the ravages of time, some extremely old meter sockets may not allow us to safely make the switch. We expect that this problem will affect fewer than one percent of our

Knowledge is power

Visit our website at www.grotonelectric.org and select the Energy Calculator in the Energy Conservation section. It's a fun feature that can help you figure the approximate energy use and cost for most of the electric items in your home. Fill in your personal data, and you can print out a report that should be within 10% of your actual bill.

While you are visiting, take a look at the picture of the miniature Groton Electric bucket truck that we are selling at cost—a great gift idea for the young or the young at heart. Only \$25 plus tax!

customers. When this occurs, we will allow six months for the homeowner to bring the meter socket up to code.

Once in place, our customers will benefit from our increased efficiency and lower operating costs. Other customer benefits include up-to-the minute use information and the potential to participate in energy-management programs that will be designed to lower your bill. We are excited about the change, and want the transition to be as comfortable as possible. Please feel free to let us know if you have any questions or concerns.

\$1.00 OFF

Energy-Efficient Light Bulbs

Bring this coupon to the Groton Electric Light Department office at 23 Station Ave. before October 10, 2006 to get \$1.00 off the cost of each energy-efficient compact fluorescent light bulb. Maximum of three bulbs per customer of the Groton Electric Light Department.