the power OUTLET

The Newsletter for the Groton Electric Light Community

February, 2020

Congratulations to the winners of

the Let There Be Light challenge

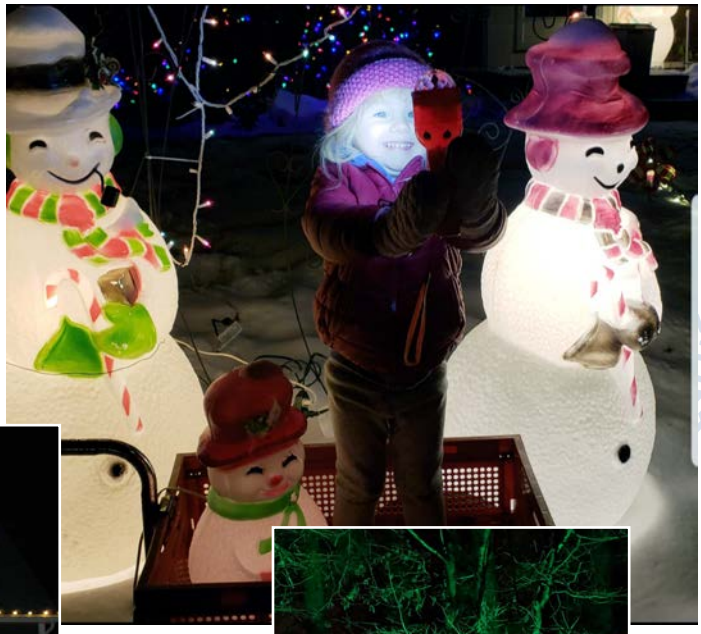
BEST OVERALL—16 Lawrence Drive (Eloise's Christmas Garden)—**$100 prize**

Groton Electric would like to thank all of the participants in the holiday lighting contest. The winners will receive a credit applied to their January 31, 2020 electric bill. We received positive feedback from all our participants.

A very special thank you to our Board members who braved the elements to judge the contest:

Commissioners Bruce Easom, Rodney Hersh and Kevin Lindemer. Also thank you to Manager Kevin Kelly who acted as chauffeur for judging night.

And the winners of the "let there be light challenge" are…



MOST CREATIVE—6 Mockingbird Hill Road—**$50 prize**

See more winners on next page

the power OUTLET
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MOST ORIGINAL
—9 Olivia Way—
$50 prize

MOST TRADITIONAL—76 Paquawkett Path—**$50 prize**

The Power Cost Adjustment has been Reinstated

Beginning with the January 31, 2020 bill, there is a Power Cost Adjustment (PCA) of $0.01 added as a separate line item on your GELD electric bill.

The PCA is a way for Groton Electric to recoup the increased generation costs associated with higher fuel prices and power costs in the winter months. This winter, the PCA will be 1 cent ($0.01) per kilowatt-hour on the January and February 2020 bills and 1/2 cent ($0.005) per kilowatt-hour on March 2020 bill.

For about 10 weeks in the winter in New England, natural gas becomes the most expensive natural gas in the world averaging four times the cost of the rest of the United States. One of the reasons is because New England has inadequate natural gas pipeline infrastructure. By law, natural gas must be reserved for residential heating before it can be used for electric generation. However, when it is cold, there is not an adequate supply of natural gas so the electric generators in New England must switch to diesel fuel to generate electricity. Diesel fuel is substantially more expensive (and more carbon emitting) than burning natural gas to generate electricity.

GELD management monitors power prices closely and discusses this topic at their monthly board meetings. You can be assured that GELD ratepayers' best interest are always their top priority.

Please read the "New England Electric Rates Update" article for additional information about electric rates.

New England Electric Rates Update

Your electric bill is broken up into three major cost buckets—generation, transmission & distribution. The generation portion of your bill is the largest at about 60% of your bill and that is where we are seeing large swings in costs. The generation portion of your bill has two primary components—the cost of the generation of electricity (costs for power purchased on the wholesale energy market) AND the capacity cost GELD pays to make sure there is adequate capacity to meet our peak electric demand. Historically, the capacity and transmission costs have been socialized proportionately over all customers. Since these costs are high and volatile, we are looking at ways to pass these costs specifically to the customers who generate them.

Capacity costs account for approximately 20% of GELD's overall expenses, currently $1.8 million annually.

The news isn't all bleak—here is some good news about our rates compared to our neighbors. For the most recent 12-month period, we will compare customers who average 750 kilowatt-hours per month (kWh/month) on their electric bills. Our neighbors who have National Grid for their electric provider pay 86.9% more than GELD and our neighbors who have Until pay 104.1% more than GELD. If your electric bill was $100/month in Groton it would be $204.10/month in Townsend.

Behind the scenes, many conditions affect your electric bill that you may not be aware of. Luckily for GELD ratepayers, the management team constantly monitors these power markets and purchases power in advance—months and years before it is needed to help with these variable energy markets.

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The 40 Municipal Electric Utilities of Massachusetts

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