

Community News

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Village joins with Sustainable Westchester to save residents money on energy bills

By Jananne Abel
Editor

Following a public hearing, the Village of Rye Brook adopted a local law on June 23 to partner with Sustainable Westchester to establish a **Community Choice Aggregation** Program which is intended to save residents money on their energy bills.

"Normally our electricity bills are two bills, transmission and distribution and the energy portion, both of which we default to Con Edison as our supplier," said Mike Gordon, co-chair of Sustainable Westchester, at the June 23 village board meeting. "Many of you are getting calls from independent suppliers and people don't generally do it. Roughly 80% don't do it because they can't keep track. They may get an introductory rate and 3-4 months down the road it is no longer economically advantageous."

A second reason people don't participate is because they are just one home and there is no economy of scale. "We are doing this countywide," said Gordon, "When we go out with hundreds of thousands, we can negotiate a better rate."

The state has determined that the second portion of your energy bill defaults to Con Edison if you don't say who you want, said Gordon.

"Community **Choice Aggregation** allows Rye Brook to determine who that default supplier will be which then means those 80% of folks who are currently with Con Edison would go with whoever Rye Brook designates," he explained. "We can affix our rates for electricity and gas which Con Edison is not allowed to do. As gas and electricity rates go up, it will supply secure rates for the **community**."

Natural gas prices are at a 13-year low, he explained. "So if we fix our rates at this point, we expect as natural gas prices go up, we are going to achieve some remarkable rates."

There is no exit fee and people will be free to exit at any time.

Gordon expects to get a fixed price for the next two or three years.

20-day opt out period

If a resident doesn't want to participate, they can just let Sustainable Westchester know and they can stay with Con Edison.

If a resident decides in the first 20 days that they don't want to participate, they are never going to be switched. If they decide at a later date, they will be switched back in the next month or so.

The fixed price will be slightly higher than if customers were paying a fee to exit, "but it is something we are willing to give up so we can have that freedom," said Gordon.

Customers will have the right to join later, but there is no guarantee they will get the same fixed price.

"We would never join unless we felt this was a good opportunity for savings for residents," said Mayor Paul Rosenberg.

Trustee Jason Klein questioned how much energy was coming from sustainable energy sources.

When they go out to bid, said Gordon, they will go first for the cheapest energy and second for the cleanest. "They may be the same thing." However, he added, "we don't want to move people into a source that is cleaner at a higher price." He expects that three years from now with their next contract there will be a crossover between price and sustainability as the price of natural gas rises.

Other states averaging 5-10% savings

Six other states have allowed this program. However, in New York, so far Westchester County is the only county allowed to do it.

On Feb. 26, the Public Service Commission specifically approved Westchester County and Sustainable Westchester to be the only ones to pair up and undertake this program. "So we have no experience elsewhere in New York State," said Gordon.

In other states, he said, they are averaging between a 5% and 10% savings. "There was a time when Illinois was 25% lower," he said, "but that has not stayed in place. It depends how intelligently the utility buys."

Massachusetts has been running this program for 10 years, Illinois about three.

October rollout expected

Sustainable Westchester expects to go out to bid in September "when we have critical mass which is about 70,000 homes" and be operational in October. If they cannot negotiate a lower rate with a supplier than residents are currently getting, the program will not go forward.

Sustainable Westchester will send out information to every resident that is bundled with Con Ed so they will have documentation with the price in hand and a clear explanation of what they will be getting. There will be a 20-day opt out period.

"What if a house is sold?" asked Trustee Susan Epstein.

"We believe they will be able to pass it on to the next person occupying the house which is pretty cool because it creates some value when you sell your home," responded Gordon.

If the supplier were to violate the terms of the contract, "we would go to another supplier or revert back to Con Edison," said Gordon.

"If the supplier goes bankrupt, the lights are not going out," said the mayor.

"Con Edison is so juiced about this that they are willing to do pilot projects like this," said Gordon.

Sustainable Westchester will take 1/10 of a cent per kilowatt hour for administration, legal and communication. Down the road there may be opportunities to add 1/10 of a cent for energy efficiency alternatives. "At some point we may apply to the PSC and say Rye Brook wants to administer the program itself," Gordon explained.

Under this program, residents having trouble with their power would still call Con Edison.

"We will be behind you talking to them in parallel," said Gordon.

Other participating communities

Other communities that have already opted to participate in the program are Lewisboro, Croton, North Salem, Somers, Bedford, Ossining, Pleasantville and Greenburgh with Mamaroneck and White Plains expected to sign on.

Sustainable Westchester was to make a presentation to the Port Chester village board on July 20 which was postponed until their next meeting on Aug. 3.