



TOWN OF WESTFORD
TOWN MANAGER

TOWN HALL
55 Main Street
WESTFORD, MA 01886
Telephone (978) 692-5501
Fax (978) 399-2557

TO: Jodi Ross

FROM: John Mangiaratti

DATE: October 5, 2012

RE: Frequently Asked Questions: Article 9 - Authorization to Enter Net Metering Agreement

Approval of Article 9 would authorize the Selectmen to enter into an agreement for up to 30 years with a renewable energy developer for a net metering agreement. The purpose for this article is to provide our town with the opportunity to achieve long term energy savings. I have prepared the following answers to frequently asked questions about this article.

What is Net Metering?

A solar power facility generates electricity and feeds it back to the grid and receives credit from National Grid. A net metering agreement allows the owner of the solar power facility to sell credits to customers at a discount to be used by the customer to offset their electricity costs. The guidelines for net metering are set forth under [Mass. Gen. Laws Ch. 164, § § 138 - 140](#) and [220 C.M.R. § 18.00](#).

What process will the town follow if this article is approved?

The town issued a request for proposals (RFP) seeking qualified energy developers for net metering projects. A proposal review working group that includes members of the Energy Committee will determine if any of the proposals submitted are in the town's best interest. The working group will present a recommendation to the Town Manager, who will then make a recommendation to the Board of Selectmen. The Selectmen would then negotiate an agreement for long term energy savings.

Download [a copy of the RFP](#) from the Town of Westford website. <http://www.westfordma.gov/bidlist>

Where is the solar farm that is being proposed for this net metering agreement?

A solar development has not been identified at this time. The town has solicited proposals and will review the projects that are submitted. It is not required, nor is it anticipated that the solar farm will be located within the town of Westford.

If there is not currently a recommended project before the town, why is this article necessary?

This authorization is required because most municipal contracts are limited to three years without authorization from Town Meeting. This request should not wait until Annual Town Meeting in March because the town may miss out on opportunities that are currently in the market.

Why would the town commit for 30 years?

It is not anticipated that the town will enter an agreement for 30 years. We have requested proposals for 10 and 20 year terms, but there is a possibility that a contract would include extension options that go beyond 20 years. The goal of the project is to reach an agreement with the greatest total financial return over the length of the contract with the highest protection to the town against risk. We intend to incorporate options to terminate the agreement if the market conditions change drastically or if regulations change.

How much does the town spend on electricity and what are the potential savings from a net metering agreement?

Town of Westford's FY11 electrical utility costs were approximately \$1.4 million for 9.7 million kWh. The potential savings will vary depending on the way the agreement is structured. Other communities such as Chelmsford have entered agreements that will save 25% over 20 years.

Why does the article limit the capacity of the town to purchase net metering credits at 9.7 kWh million?

The RFP is structured to have tiered proposals for the level of credits that the town is willing to commit to purchasing. The current strategy is to limit the commitment to 75% of the current consumption to maintain flexibility in case the town improves energy efficiency or finds alternative purchasing programs for the remaining capacity.