

Community Power/Municipal Aggregation

The supply of energy to our homes and businesses affects each of us every day. Connecticut residents should have more control over this and other energy services. Community Power, sometimes called Community Choice Aggregation (CCA) or Municipal Aggregation, is a system in which municipalities procure the electricity supply for their residents and in some states, can develop a variety of local energy programs.

PROBLEM STATEMENT

CT cities and towns are missing out on an opportunity to help lower the cost of electricity supply for all their residents and businesses, and to play a larger role in developing local energy projects and programs. Currently, CT law prevents municipalities from forming an opt-out CCA. But ten states allow CCA, including some of our neighbors like NY, MA and NH.

HOW IT WORKS

In its basic form, Community Power/CCA allows municipalities to become the default supplier of electricity to all their residents and businesses, except those who choose to opt out. The objective is to lower the electric supply portion of ratepayer bills and increase renewable energy content. The widespread participation of municipalities in CCA states like CA, NY, MA and NH is one indication that the program works.

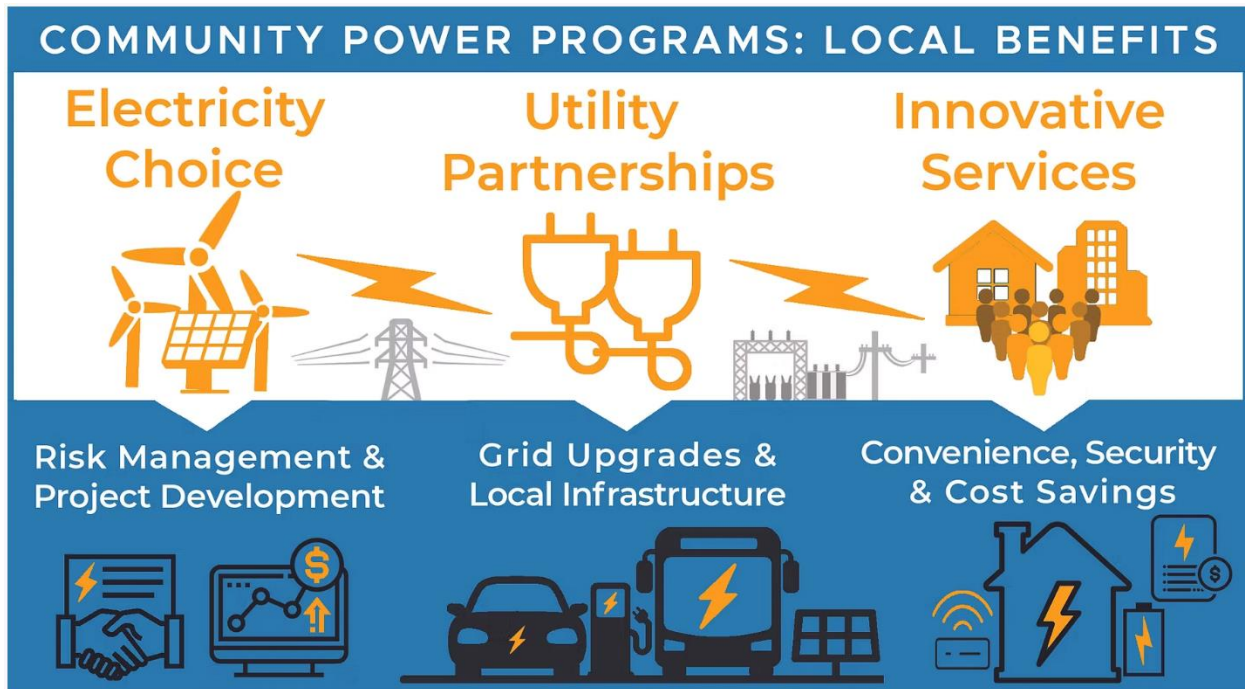
NH and CA have embraced a more ambitious form of CCA. Municipalities in these states can form a public power nonprofit called a Joint Action Agency that provides the expertise needed to implement local energy projects and programs. The overall effect is to introduce more competition and innovation into the energy sector. Utilities continue to own and operate the distribution grid but have a lesser role in

procurement of supply and some customer-facing services. Revenues from the sale of electricity by municipalities, not tax dollars, become the basis for funding local energy programs. Developing distributed energy resources is often the focus of participating municipalities.

BENEFITS

- **Lower Electricity Supply Costs:** Residents and businesses save on the supply portion of their electric bills. Longer rate periods than 6 months.
- **More Renewable Energy:** Communities can choose cleaner energy sources and offer innovative pricing.
- **Energy Resilience:** More distributed energy systems, like solar and batteries, provide greater reliability.
- **Economic Growth:** Local projects create jobs and bring investment to towns.
- **Empowering EJ Communities:** Residents gain a stronger voice in local energy decisions.
- **No Taxpayer Funding:** Programs are funded through electricity sales.
- **Cleaner Air and Healthier Lives:** A focus on electrification of transportation and heating means less pollution and improved public health.
- **More Advocacy for Clean Energy:** New voices at the state legislature and regulatory bodies.

Community Power/Municipal Aggregation for CT



LEGISLATIVE SOLUTIONS

The CT General Assembly should pass enabling legislation allowing municipalities to 1) become the default electricity supplier for all residents and small businesses, except for those who choose to opt-out; and 2) form and then receive services from a Joint Powers Agency that can assist member municipalities to provide electricity supply, develop local solar and battery projects, and offer programs such as energy efficiency, demand management and EV charger deployment. Such programs would be in addition to, not instead of, state and federal incentives. A good model for CT is New Hampshire, where the [Community Power Coalition of New Hampshire](#) is operating successfully.

FAST FACTS

- CCA was first enabled in MA more than 25 years ago. As of 2023, [176 MA municipalities have authorized CCAs](#), representing about 41% of the state.

- The [Community Power Coalition of New Hampshire \(CPCNH\)](#) was incorporated in 2021. As of October 2024, 62 municipalities and 4 counties have joined this new public power nonprofit.
- CPCNH saved its customers about \$14 million in its first year and was able to put \$10 million into a reserve account, which will be available for future projects.

ADDITIONAL RESOURCES

- [Opinion: CT needs to make big changes ... in the electric power industry](#), CT Mirror
- [Five years later, NH's community power law is reshaping the electricity market](#), Energy News Network
- [Community Power Coalition of New Hampshire](#)
- [20-05-13 PURA STUDY OF CCA, Final Decision](#)
- [LEAN \(Local Energy Association Network\)](#) LEAN supports the formation and operation of CCA programs nationwide.

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