

**MASSACHUSETTS ALLIANCE
FOR MUNICIPAL ELECTRIC CHOICE**



**Endorsers of Bill H3319
or its predecessors**

Municipalities

Acton	Norfolk
Amesbury	Northampton
Amherst	Northbridge
Arlington	Orleans
Ashby	Oxford
Ashland	Plymouth
Attleboro	Provincetown
Ayer	Quincy
Barnstable	Revere
Bedford	Rockland
Bellingham	Salem
Bourne	Salisbury
Bridgewater	Scituate
Brockton	Sharon
Brookline	Sherborn
Burlington	Somerville
Cambridge	Southwick
Canton	Spencer
Carlisle	Stoneham
Carver	Sudbury
Charlton	Swampscott
Dartmouth	Tisbury
Dover	Topsfield
Dudley	Townsend
Duxbury	Uxbridge
Eastham	Walpole
Easthampton	Waltham
Easton	Wareham
Edgartown	Watertown
Essex	Wayland
Fairhaven	Wenham
Falmouth	West Springfield
Fitchburg	West Tisbury
Foxborough	Westborough
Framingham	Westford
Franklin	Weston
Freetown	Westport
Hamilton	Weymouth
Hanover	Williamstown
Harwich	Winchester
Hatfield	Woburn
Hinsdale	Worcester
Holbrook	Wrentham
Lancaster	Yarmouth
Lenox	
Leominster	Organizations
Lexington	Cape Light
Lincoln	Compact
Longmeadow	Franklin Regional
Lowell	Council of
Ludlow	Governments
Marion	Mass Climate
Marlborough	Action Network
Maynard	Mass Energy
Medway	Consumers
Melrose	Alliance
Milford	Mass Municipal
Milton	Association
Natick	
New Bedford	MASSPIRG
Newburyport	The Energy
Newton	Consortium

Bill H3319 -

Establishment of municipal lighting authorities ("Munis")

- Munis save residential consumers an average of 24% on their electric bills
- Munis offer better electric service with improved reliability
- Munis respond to local priorities (e.g. clean energy, place wires underground)

The 41 Munis that already exist in Massachusetts (incl. Concord, Shrewsbury, Wellesley, Braintree, Norwood, Peabody, Ipswich or Taunton) serve 15% of our population. Compared with investor-owned utilities ("IOUs"), Munis generally offer better reliability (fewer outages) and favorable rates (lower than NStar by 24% for residential customers and by about 10% for commercial accounts in 1992-2003 in the greater Boston area). In 2006 for 500 kWh per month, Munis charged a family \$62, National Grid charged \$80 and NStar charged \$103 (resp. 29% and 67% more than Munis). Nationwide, there are about 2,000 Munis including in Los Angeles, Seattle, Cleveland, Austin, Sacramento and Orlando.

MGL Chapter 164 outlines the process a city or town must follow to acquire the distribution infrastructure from the incumbent IOU and operate it as a Muni. But no new Muni has been formed in Massachusetts since 1926 because Chapter 164, written a century ago, makes the process impractical.

H3319 clarifies Chapter 164 by explicitly stating that once a fair value has been established for the IOU's infrastructure, the sale must occur. H3319 also adjusts certain time lines, creates a review process for the economics of new Munis and limits at 3 per year the number of new Munis that can be formed.

By making the formation of new Munis practically feasible, H3319 introduces a form of competition, which will lead IOUs to reduce their rates and improve their service even if only a handful of new Munis are formed. In the case of Lexington, a Muni would address local priorities while charging less than NStar, saving Lexington residents, businesses and the Town \$6-8 million annually.

H3319, filed by Representative Jay Kaufman, is co-sponsored by 53 legislators.

115 cities, towns and organizations (including the MMA, MASSPIRG, Mass Energy Consumers Alliance, the Mass Climate Action Network, and the Cape Light Compact) have endorsed Bill H3319 or its predecessors (H3294 in 2005-06; H1468 in 2003-04). The *Boston Globe* called this legislation "A promising bill [...that] would restore some power to the consumer".

Prepared by the Lexington Electric Utility Committee (2/20/07)

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