

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

ENERGY EFFICIENCY CHARGES

SCHEDULE EEC

The charges listed below shall be applied to all kilowatt-hours (kWh) delivered by the Company to a Customer.

1.01 Rates

The Energy Efficiency Charge (“EEC”) shall be \$0.00250 per kWh. The EEC plus the Energy Efficiency Reconciliation Factor (“EERF”) will be included as a separate item on the customer's bill.

In addition to the EEC, the Company shall reconcile actual expenditures incurred for Energy Efficiency programs approved by the Department of Public Utilities (the “Department”) that differ from the revenues collected from the EEC through an EERF. The purpose of the EERF is to provide the Company a mechanism, subject to the jurisdiction of the Department, to adjust its rates for customers of distribution service to recover all costs associated with energy efficiency and to reconcile energy efficiency revenue amounts included in the Company’s distribution rates with the total expense amounts booked by the Company for energy efficiency programs. The Company shall establish EERFs on an annual basis for the twelve month period, June through May, based on a forecast of costs for the program year as outlined in Section 1.04.

In accordance with the Department’s Order in D.P.U. 15-162 dated January 28, 2016, the EERF is determined annually based on 1) the Program Administrator’s most recent projection of budgets, revenues for non-EES finding sources and sales for the current year; and 2) a reconciliation of any over-and-under recovery of costs for the previous year.

1.02 Applicability of EERF

The EERF shall be applicable to all firm distribution of electricity, as measured in kilowatthours (“kWhs”), delivered by the Company unless otherwise designated. For billing purposes, the combined EEC and EERF shall be billed and listed separately.

1.03 Effective Date of Annual Adjustment Factor

The date on which the annual EERF becomes effective shall be June 1 of each year, unless otherwise ordered by the Department. The Company shall submit its annual EERF Filing at least 60 days before the effective date.

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Vice President and Treasurer

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SCHEDULE EEC (continued)

1.04 EERF Formula

$EERF_x = (EEE_x - EEC_x - OR_x + PPRA_{x-1} + I_x) / fWh_x$, where

$EERF_x =$ The annual Energy Efficiency Reconciliation Factor for year “x”. “x” is the forecast year.

$EEE_x =$ The forecasted total Energy Efficiency expenditures for year “x” as included in the Company’s Energy Efficiency plan budget, including program planning and administration costs; marketing costs; sales, technical assistance and training costs; evaluation and market research costs; customer incentives; and performance incentives.

$EEC_x =$ The forecasted revenues collected from the EEC for year “x”.

$OR_x =$ Forecasted Other Revenues for year “x” to be collected by the Company under the Forward Capacity Market program administered by ISO-NE, as defined in Section 1 of G.L. Chapter 164; the cap and trade pollution control programs, including, but not limited to, and subject to Section 22 of G.L. Chapter 21A, not less than 80 per cent of amounts generated by the carbon dioxide allowance trading mechanism established under the Regional Greenhouse Gas Initiative Memorandum of Understanding, as defined in subsection (a) of Section 22 of G.L. Chapter 21A, and the NOx Allowance Trading Program; or any other funding as approved by the Department for Energy Efficiency programs.

$PPRA_{x-1} =$ The Past Period Reconciliation Amount defined as the difference between (a) the amounts actually expended for the previous year for Energy Efficiency programs as approved by the Department and (b) the revenue actually collected in the previous year for Energy Efficiency programs as approved by the Department. Interest calculated on the average monthly balance using the customer deposit rate, as outlined in 220 CMR 26.09, shall also be included in the PPRA. The rate of interest, effective February 1st each year, shall be the equivalent of the rate paid on two-year, United States Treasury notes for the preceding 12 months ending

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December 31.

$I_x =$ The estimated interest in the forecast period, calculated as defined above.

$FkWh_x =$ The Forecasted kWh is the forecasted amount of electricity to be distributed to the Company's distribution customers for the 12-month period beginning June 1 of year "x".

This formula shall be used to calculate an EERF for each customer class in the following manner:

- funds collected through the EEC, FCM, and RGGI shall be allocated to each customer sector in proportion to the sector's kWh consumption;
- the amount of EERF revenue required to fund the low income programs shall be allocated to each customer sector (residential, C&I) based on the Distribution Revenue Allocator.
- the Distribution Revenue Allocator is derived from the Company's most recent base rate case, unless otherwise adjusted and approved by the Department.

Allocators for rate filings made on or after November 1, 2023 in compliance with DPU 23-95 are as follows:

<u>Rate Class</u>	<u>Distribution Revenues</u>	<u>Allocation</u>
RD-1/RD-2	\$16,003,352	58.56%
GD-1/GD-2/GD-4/GD-5	\$6,832,600	25.01%
GD-3/Special Contracts	\$4,358,897	15.95%
Streetlights	\$131,687	0.48%

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The allocators approved in D.P.U. 23-80 for use in EERF filings made after July 1, 2024 are as follows, effective with the next scheduled rate change:

<u>Rate Class</u>	<u>Distribution Revenues</u>	<u>Allocation</u>
RD-1/RD-2	\$19,217,272	61.20%
GD-1/GD-2/GD-4/GD-5	\$6,275,487	19.99%
GD-3/Special Contracts	\$5,734,574	18.26%
Streetlights	\$171,821	0.55%

- the residential RD-1, RD-2 and EV-RES class EERF shall be the sum of the amount of EERF revenue required to fund residential programs plus the amount of EERF revenue required to fund low income programs allocated to the residential sector divided by total residential kWh sales;
- the C&I class EERF shall be the sum of the amount of EERF revenue required to fund C&I programs plus the amount of EERF revenue required to fund low income programs allocated to the C&I sector divided by total C&I kWh sales. The C&I class includes all general service classes, including electric vehicle demand charge alternative customers, and outdoor lighting. Outdoor lighting EERF revenues shall be allocated to each customer sector in proportion to the sector's kWh consumption.

1.05 Information Required to be Filed with the Department

Information pertaining to the annual filing shall be filed with the Department at least sixty (60) days before the date on which a new EERF is to be effective. The Company shall provide all information necessary to support the EERFs.

1.06 Customer Notification

The Company will notify customers in simple terms of changes to the EERF, including the nature of the change and the manner in which the EERF is applied to the bill. In the absence of a standard format, the Company will submit this notice for approval at the time of each EERF filing. Upon approval by the Department, the Company must

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immediately distribute these notices to all of its distribution customers either through direct mail or with its bills, or as a bill message.

1.07 Authorities

The following statutory, regulatory and other provisions govern the charges that may be recovered through this tariff.

Statutory authority:

G.L. c. 164

G.L. c. 25 § 19 (a) (Mandatory Energy Efficiency Charge)

G.L. c. 25 § 19 (b) (1) (FCM revenues)

G.L. c. 25 § 19 (b) (2) (80% of Massachusetts RGGI and NO_x Allowance Trading Program revenues)

G.L. c. 25 § 19 (b) (3) (Other funds and obligations)

G.L. c. 25 § 21 (2) (d) 2 (reconciling funding mechanism)

Acts of 2012 c. 209 § 51

Department Regulations:

220 CMR 05, rate and tariff changes

220 CMR 26.09, customer deposit rate

Miscellaneous Rules and Guidelines:

DOER Energy Efficiency Program Guidelines, definitions of cost categories allowable