Powering a more sustainable, lower carbon future.
Dear Members,

As we embark on a new year filled with opportunities and possibilities, I want to take a moment to reflect on the successes and challenges of the past year. We have expanded our team, particularly in the area of sustainability, and reaffirmed our mission to reduce the cost, carbon, and complexity of energy. That core mission was more important than ever in the last year, as we saw a volatile energy market with record high prices. Staying true to our mission, assisting Members in navigating these challenges was our highest priority.

Climate change remains the most critical challenge facing humanity, and we recognize the urgent need for action. Energy is one of the core elements impacting climate change, as well as our Members’ carbon footprints and decarbonization efforts. We hear from so many of our Members a call for assistance in developing or implementing sustainability and climate action plans. To support these efforts, we have introduced our Energy Sustainability & Analytics (ESA) program. Historically, we have focused on procurement for our Members, and then implementation, but Members have told us they need help with planning. They cannot implement without a plan. Now, with our ESA program, we can provide tailored services to partner with Members to assess their buildings and fleets, create roadmaps for decarbonization, and assist in moving those plans into action.

As we help Members decarbonize more and more, and in addition to our important procurement role, connecting Members to funding sources becomes a critical role we can offer to help Members advance their projects and plans. As such, we created a comprehensive “Follow the Money” program, including webinars, newsletters, and funding alerts, to keep Members up to date on available grants and application deadlines, especially from the historic funding passed in federal legislation over the last year.

In 2022, we continued our core service of procurement and competitively bid our solar and electric vehicle supply programs, bringing in new vendors and expanded options for Members, including options for small scale solar and a focus on accelerating access to affordable clean energy for Members serving low-income communities. As we move further into the carbon reduction space, we remain committed to our core programs for electricity and natural gas supply. Members need affordable, reliable energy supply, and we are undertaking competitive procurements for both commodities in the coming year.

As we begin our 25th year of service, I believe PowerOptions has a crucial role to play in our Members’ transition to decarbonization, which goes hand-in-hand with our core focus on energy supply. With the collective buying power of our 500-member consortium, we can drive positive change in the energy sector and meet our Members’ evolving needs.

Thank you for your continued partnership, and I look forward to working together to create a sustainable energy future for all not-for-profit institutions and their communities.

Yours in Service,


PowerOptions is proud to be recognized as a Women’s Business Enterprise

MESSAGE FROM THE CEO

2022 YEAR IN REVIEW 2
PowerOptions has a long history of providing Members with reliable and innovative energy solutions. Our natural gas and electricity supply programs were among the first offered in Massachusetts after the deregulation of energy markets in 1998, and our competitive supply contracts quickly became a pillar of the organization. PowerOptions evolves and stays in front of changing market conditions, and we remain committed to putting Members’ interests first. Our team’s expertise and industry knowledge enabled us to navigate the volatile energy market and develop creative solutions that delivered value to Members.
Massachusetts Maritime Academy, located in Buzzards Bay on Cape Cod, combines rigorous academics with a regimented lifestyle that instills honor, responsibility, discipline, and leadership. The Academy prepares students for service in the merchant marine, military, and those seeking to serve the interests of the Commonwealth, Nation, and global marketplace. Since 2012, the Academy has worked with PowerOptions for electricity and natural gas supply, as well as solar.

As the Academy was looking to renew its natural gas supply contract, the costs were astronomical—not only because the energy markets were trading at near record prices, but also because the Academy did not have a capacity assignment from the local utility. Capacity assignment happens when the utility purchases pipeline space for the amount of natural gas needed. Without that assignment, the supplier would need to purchase pipeline space in the market, which was particularly expensive this past year when the Academy was expiring.

Rather than lock the Academy into a high price, PowerOptions advised them to go onto utility supply for the winter, so they would receive a capacity assignment. As spring approached and with its newly assigned capacity, the Academy once again reviewed pricing through PowerOptions. However, this time the pricing was extremely attractive—half of what it was in the fall. And the Academy locked immediately.

“Facing a steep natural gas price increase, PowerOptions advised a strategy that involved leaving the consortium’s supply program, even though it meant essentially losing a customer. PowerOptions put the Academy’s interests first, and proved themselves a savvy and trustworthy energy partner.”

Kathy Driscoll, Environment Health & Safety Officer
PowerOptions has been a leader in providing turnkey solar solutions to our Members for over a decade, offering a range of options including small rooftop arrays, utility-size parking lot canopies, and off-site remote solar. Our solar portfolio, at over 85 MW and one of the largest in the region, is projected to save our Members more than $150 million over the lifetime of the projects. And in 2022, Members initiated 24 new solar projects totaling 7.6 MW, projected to save an additional $10 million. Additionally, 19 projects totaling 4.4 MW came online.

We concluded the competitive procurement for our next generation of solar programming, designed to align with federal and state funding opportunities. The new program offers every type of on-site solar, as well as direct energy cost savings through subscriptions to off-site solar projects. We ensured the program brings value for local community-owned models and additional value for low-income communities, furthering our commitment to help accelerate clean energy equity.

PowerOptions modeled financial options and assisted Members in determining the most beneficial arrangement, such as owning their solar arrays outright in order to benefit from new federal tax credits available to non-profits. We helped Members make informed decisions about their solar options and support them in achieving their sustainability and cost-saving goals.

Bristol Community College, 3.2MW solar parking canopy, the largest in NE at the time it was built in 2015.
MEMBER SPOTLIGHT | Endicott College

Endicott College is a 4-year college in Beverly, Massachusetts, offering a wide range of undergraduate and graduate degrees. In addition to three large solar arrays, recent buildings have been designed to meet green building criteria and have focused on energy efficiency. Comprehensive efficiency projects have been implemented to install LED lighting, high efficiency heating, and energy management systems. And the efforts are paying off — Endicott has been designated by Princeton Review as one of the countries’ Green Colleges for its comprehensive sustainability efforts.

“Since 2011, the College has partnered with PowerOptions on solar projects that are expected to avoid more than 8,000 tons of carbon emissions and save more than $700,000 on energy costs.”

Carly Thibodeau. Associate Director of Sustainability
PowerOptions expanded our Electric Vehicle Supply Equipment (EVSE), aka EV charging stations, program to help Members transition to clean transportation. In 2022, we conducted a competitive procurement that provides several options of vendors and equipment for Members. We assisted Members through equipment selection, grant application, and installation evaluation, start to finish. Members reduced equipment and installation costs by purchasing equipment from our vetted suppliers at a pre-negotiated discount price. Additionally, we advised Members on how to determine market-based rates for their EV charging station usage while managing their own operational costs. Members made informed decisions about their EVSE options, and we supported them in their efforts to reduce their carbon footprint.
MEMBER SPOTLIGHT | College of the Holy Cross

Holy Cross is a highly selective, four-year undergraduate liberal arts institution in Worcester, Massachusetts. From academics and athletics to opportunities for spiritual development, Holy Cross prepares students for fulfilling leadership roles in every aspect of their lives. The College has a history of commitment to sustainability through actions like single-stream recycling, renewable energy certificates, and EV charging stations. Most recently the College was recognized by The Princeton Review, as one of the world’s most environmentally responsible colleges for 2023.

“With a goal to reach net-zero emissions by 2040, Holy Cross implements projects across a spectrum of activities to conserve energy, reduce waste, minimize water usage, and foster environmental awareness. PowerOptions worked with us to purchase and install EV charging stations, and importantly, access incentives to lower the total project costs.”

Cathy Liebowitz, Director of Sustainability
Energy efficiency is a critical component of any energy management strategy—using less energy to achieve the same results, reducing energy costs, and promoting sustainability. We worked closely with Members, helping them navigate the process, and ensured they received maximum possible incentives. We partnered with utility-approved vendors who conducted free energy audits and implemented turnkey efficiency solutions. We reviewed financing and funding options and provided guidance and assistance throughout the process. Members optimized energy usage, reduced environmental impact, and achieved cost savings.

“I’ve been working with PowerOptions for almost 20 years; they consistently provide the prompt, excellent guidance and support I need to navigate energy issues to meet organizational objectives.”

Bob Stoneham, Director of Facilities & Administration, Cabot Performing Arts Center
PowerOptions’ newly launched Energy Sustainability & Analytics (ESA) Program supports our Members in achieving their sustainability and climate action goals. We provide Members with decarbonization, energy advisory, and data analytics solutions that are tailored to their specific needs and goals. Our team works with Members across all types of facilities and advises them on the most effective energy management options. PowerOptions also offers Members a flexible advisory service to provide valuable support in several key areas, including:

- Building Decarbonization and Fleet Electrification planning
- Energy Analytics and Reporting using our new Energy Intelligence Suite (EIS)
- Building Energy and Carbon Reporting and Compliance

Additionally, we help Members calculate their energy budgets and develop strategies to mitigate energy costs, freeing up resources for other critical business needs. With this new service, Members benefit from expert guidance tailored to their specific needs and goals.

BUILDING DECARBONIZATION ROADMAP

PowerOptions works with our Members on a building-by-building basis to identify and prioritize opportunities for decarbonizing their portfolio of buildings. We provide a cost-effective timeline for reducing carbon emissions and help Members understand the timing, costs, and savings involved, including available incentives and financing options. Thanks to a grant from the Massachusetts Clean Energy Center (MassCEC), we are currently able to offer this service to Members at a discounted rate. Following the completion of the roadmap, PowerOptions helps Members put the plan into action.

FLEET ELECTRIFICATION

PowerOptions has created the Fleet Electrification Assessment Tool (FEAT), which offers Members a detailed roadmap for transitioning to clean transportation. FEAT takes into account a Member’s specific priorities, budget, and resources, providing a customized action plan to guide the transition to electric vehicles. Our team works closely with Members throughout the implementation process, offering guidance and support to ensure a smooth and successful transition. FEAT helps Members reduce their carbon footprint, save on fuel costs, and increase the efficiency of their fleet. With FEAT, Members can feel confident in their transition to clean transportation, knowing they have a comprehensive plan to guide their efforts.
PowerOptions supports Members in navigating the complex and often detailed process of complying with municipal benchmarking ordinances and building performance standards. These ordinances require owners of large buildings to report their energy and water usage annually and, in some cases, to reduce their emissions over time. PowerOptions assists with all aspects of compliance, including annual reporting, third-party verification, and preventing penalties. We have a Certified Energy Manager on staff to ensure that reported data is accurate and in compliance. Our team guides Members through the entire process to avoid and/or calculate any penalties due to building compliance standards and ensure that reported data is accurate and in compliance. Staying in compliance with municipal benchmarking or building performance standards is affordable and hassle-free.

PowerOptions now provides Members with the Energy Intelligence Suite (EIS), a utility bill management platform designed to help improve compliance reporting, track energy usage and costs, and streamline billing. EIS automatically uploads data to Energy Star Portfolio Manager, reducing the risk of errors and allowing Members to better manage their energy usage. With EIS, Members receive notifications about changes in cost or usage to take proactive steps in controlling their energy expenses. EIS is easy to use, with a simple and straightforward interface, and is available to Members for up to 10 free bills per month.

“Last year was the first year our buildings were subject to BERDO, so we were unfamiliar with the regulations or how to comply. PowerOptions guided us through the whole process and communicated with the City of Boston on our behalf when we discovered there was additional complexity with our buildings. We were relieved that PowerOptions was able to take this off our plate so we didn’t have to worry about compliance for reporting or verification.”

Jim Woodworth, Facilities Manager, Cathedral Church of St. Paul
2022 represented a historic year for federal energy policy and investment. Through the Infrastructure and Jobs Act and Inflation Reduction Act, billions of dollars are (or soon will be) available to support energy efficiency implementation, renewable energy investments, and development of new technologies.

The PowerOptions team is making sure Members get a piece of that money. A new series of blogs, newsletters, alerts, and the very well attended “Follow the Money” webinars report on opportunities and timing of new funding programs, to keep Members informed of available funds, eligibility, and deadlines. The team assists in aligning projects with incentives, and PowerOptions has partnered with several Members already on grant applications.
PowerOptions’ Impact

PowerOptions tracked over 40 bills introduced during the 2022 legislative session across Massachusetts, Rhode Island, and Connecticut. Providing comments as the voice of our membership, we kept our Members’ needs top of mind with legislators and policy makers, pushing for affordability and reliability, while supporting policies that help meet climate action goals.

Ensuring ARPA Funds Are Used to Support Clean Energy and Environmental Justice

When the Massachusetts Legislature passed An Act Investing in Future Opportunities for Resiliency, Workforce, and Revitalized Downtowns (Forward), PowerOptions advocated for using remaining ARPA funds as part of the climate and energy related provisions of the legislation. PowerOptions, along with the Northeast Clean Energy Council (NECEC), the Alliance for Business Leadership (ABL), and Greentown Labs, submitted a joint letter supporting an amendment that would inject $750M of American Rescue Plan Act (ARPA) funds into the MassCEC. That amendment was ultimately vetoed by Legislators, leaving an estimated $2.3 billion in ARPA money and surplus revenues to be used in the future.

Throughout the past year, PowerOptions has also been working to prioritize funding for renovations in environmental justice communities, low- and moderate-income housing, municipal buildings (including schools), and minority- and women-owned businesses. Joining a coalition of over 150 organizations (which represents 70,000 units of affordable housing and works at the intersection of housing justice, education, climate, and environmental justice), PowerOptions has been pushing for a Zero Carbon Renovation Fund (ZCRF). During the 2022-2023 legislative season, the coalition advocated in favor of allocating $250 million in ARPA funding to jumpstart the market for zero carbon renovations in existing buildings across Massachusetts.

While legislation creating this Fund did not come to fruition last year, the coalition is continuing to push for a ZCRF during the 2023-2024 legislative session. A ZCRF will prioritize vulnerable populations to reduce emissions and improve climate resiliency, while simultaneously being a resource for the Commonwealth to achieve the goals set forth in the Massachusetts Climate and Clean Energy Plan.
Early in 2022, ISO-New England, the grid operator, filed a plan to comply with FERC Order No. 2222, which required tariff changes to remove barriers preventing Distributed Energy Resources (DERs) from competing equally in the wholesale energy market. The Order is meant to enable DERs to participate alongside traditional resources in regional wholesale markets through Distributed Energy Resource Aggregations (DERAs). Concerned that ISO-NE’s proposal failed to meet the objectives of the Order, PowerOptions, along with Advanced Energy United (AEU), Advanced Energy Management Alliance (AEMA), and the Solar Energy Industries Association (SEIA) submitted joint comment requesting further justification for ISO-NE’s proposal. ISO-NE submitted compliance filings and requested that FERC approve their filing by November 1, 2022. As of now, FERC has not yet issued any decision, so all ISO-NE’s implementation activities around Order No. 2222 have been suspended.

Leveling the Playing Field for Renewables

When the New England Power Pool (NEPOOL) voted to support ISO-New England’s proposal to maintain the Minimum Offer Price Rule (MOPR) over the next two years in the Forward Capacity Market (FCM), as opposed to eliminating it immediately, PowerOptions along with the New England Offshore Wind Coalition strongly urged the Federal Energy Regulatory Commission (FERC) to reconsider the motion and vote to reject the delay. Despite our intervention and the broad advocacy efforts of other industry leaders, Federal energy regulators approved ISO-NE’s plan. The decision blocks renewable resources from participating fairly in the Forward Capacity Market (FCM) until 2028, meaning that energy users will essentially be paying twice for renewables due to the redundant capacity which could have been avoided instead with renewable resources.

Ensuring Funds for Offshore Wind and Other Renewables, Without Increasing Customers Bills

As a founding member of the New England Offshore Wind Coalition, PowerOptions worked with offshore wind advocates and members of the Massachusetts House of Representatives to ensure the legislation, An Act Driving Clean Energy and Offshore Wind, provided necessary resources for renewables without negatively impacting ratepayers. Our advocacy resulted in several amendments which allow private aggregations, such as PowerOptions, to participate in offshore wind procurement; changing that the proposed Renewable Trust more broadly support renewables and be funded from the gasoline surcharge; creation of the Offshore Wind Investment fund from an existing electricity surcharge, as opposed to the proposed tripling of the surcharge.
Limiting Utility Rate Increases

In its January 2022 Rate Case, Eversource/NSTAR filed a petition with the Department of Public Utilities (DPU) for an increase in electric base distribution rates, seeking to generate an additional $89,477,862 of revenue. The utility also proposed a performance-based ratemaking (PBR) plan, that would allow the utility to adjust base distribution rates on an annual basis for 10 years through a revenue-cap formula. Eversource/NSTAR offered rate design proposals, including refining existing tariff definitions and rate classes; introducing non-demand price options; and eliminating legacy rate designs.

PowerOptions filed a Joint Notice of Intervention along with The Energy Consortium (TEC) and was granted Limited Intervention Status. We pushed against the suggested 10-year PBR term and suggested Eversource/NSTAR provide increased visibility into its distribution system service quality. In December of 2022, the Department of Public Utilities issued a ruling in the Docket, approving changes to the plan that were championed by PowerOptions and other intervenors. Major wins include: a five-year PBR term length, opposed to the ten-year PBR plan initially proposed; an optional tariff for large Members to decrease transmission costs through demand reduction efforts like energy storage; and a new G-1 rate class that will give smaller customers two options for rates based on their load factor, thus giving PowerOptions the ability to optimize rate assignments for our smaller Members.

Keeping Members on the Forefront of Information

In 2022, PowerOptions expanded our advocacy efforts, bringing in new staff and providing greater and more timely information to Members. Our goal is to increase the impact we can make, better communicate our activities, and most importantly, ensure our efforts align with Members’ priorities.

RAPS REPORTS

RAPS (Regulatory, Advocacy, and Policy Summary) launched in March 2022 is a bimonthly publication informing Members of relevant policies and legislation that impact energy and their bottom line. RAPS keeps Members up to date on incentive and funding opportunities, as well as conversations regarding solar, offshore wind, energy efficiency, electric vehicles, and energy supply, at the federal, state, and local levels.

RAP-UP MEETINGS

These quarterly Zoom meetings dive deeper into the information in RAPS Reports and provide opportunities for Members to ask questions and share priorities. Discussion involves current policy, regulatory, and legislative happenings, and impacts to energy cost and reliability.
Zach Holt joins PowerOptions as our new Member Development Manager

With a decade of experience in advising customers on energy purchasing strategies and other energy services, Zach Holt joins us in the newly created position of Member Development Manager. Prior to joining PowerOptions, Zach had a consulting practice focused on managing and simplifying energy costs for businesses, schools and towns. He has assisted organizations with Building Decarbonization, Energy Efficiency, EV Charging Stations, Small-, Medium-, and Large-Scale Solar, Community Solar, as well as Energy Supply — his expertise expands the PowerOptions team and ability to serve existing and new PowerOptions Members. Zach’s priority is to understand each Member’s needs so he can utilize all of PowerOptions’ resources and his expertise to provide solutions.
PowerOptions wants Members to make informed energy decisions. It’s at the heart of everything we do. And we develop content on important issues, opportunities, and movements in the energy market to keep members informed and up to date.

**2022 BLOGS**

- **1/11** Virtual Power Purchase Agreements
- **3/18** Delay of MOPR Elimination Increasing Energy Costs
- **5/3** Massachusetts New Three-Year Energy Efficiency Plan
- **8/11** FOLLOW THE MONEY: Understanding the Tsunami of Energy Grants in the Infrastructure Act
- **9/21** The Inflation Reduction Act Changes the Game for Nonprofits and Local Governments
- **10/5** Four Reasons Why Now is the Time to Go Solar
- **12/21** During Severe Weather Events, New England Relies on Costly Fossil Fuel,

**2022 WEBINARS & EDUCATIONAL SESSIONS**

- **3/24** ENERGY MARKET UPDATE: What Do Current World Events Mean for the Energy Market?
- **5/5** WHAT’S IN THE NEW 3-YEAR ENERGY EFFICIENCY PLAN?
- **9/14** ENERGY MARKET UPDATE: What to Expect with the Winter Energy Market and Beyond.
- **10/6** SOLAR: Hedging Against Rising Electricity Prices.
- **10/13** ENERGY INTELLIGENCE SUITE
- **10/27** FOLLOW THE MONEY: Accessing New Funding Opportunities.
- **11/15** ASK US ANYTHING

Recordings of our sessions are always available for members to watch at poweroptions.org/events-webinars
POWEROPTIONS COMMITMENT TO CARE

**PowerOptions created the** **CORE ALLIANCE FOR RACE AND EQUITY COMMITTEE (CARE)** **to foster diversity and inclusivity in our internal workplace as well as in the clean energy industry.**

**Evaluating our suppliers’ and vendors’ approach to diversity and inclusivity by including criteria in our procurement process and switching to minority-owned businesses when possible.**

**Increasing representation within our team and Board of Directors.**

**Foster learning and self-reflection opportunities to deepen our understanding of diversity and inclusivity through internal team discussions and guest speakers.**

**As the new year unfolds, we will continue to drive equity in the world in which we operate and are best suited to impact. We intend to use our growing expertise and learned experiences to continue our support of minority businesses and communities.**

**Supporting and partnering with other industry advocates to push policies aimed at ensuring equity within the clean energy industry and workforce development.**

**DIVERSITY, EQUITY & INCLUSION**

**2022 YEAR IN REVIEW**
emPowering Nonprofits with Energy Solutions


www.poweroptions.org