

Eversource Power Supply Procurement Process Overview

Presented to: Energy and Technology Committee

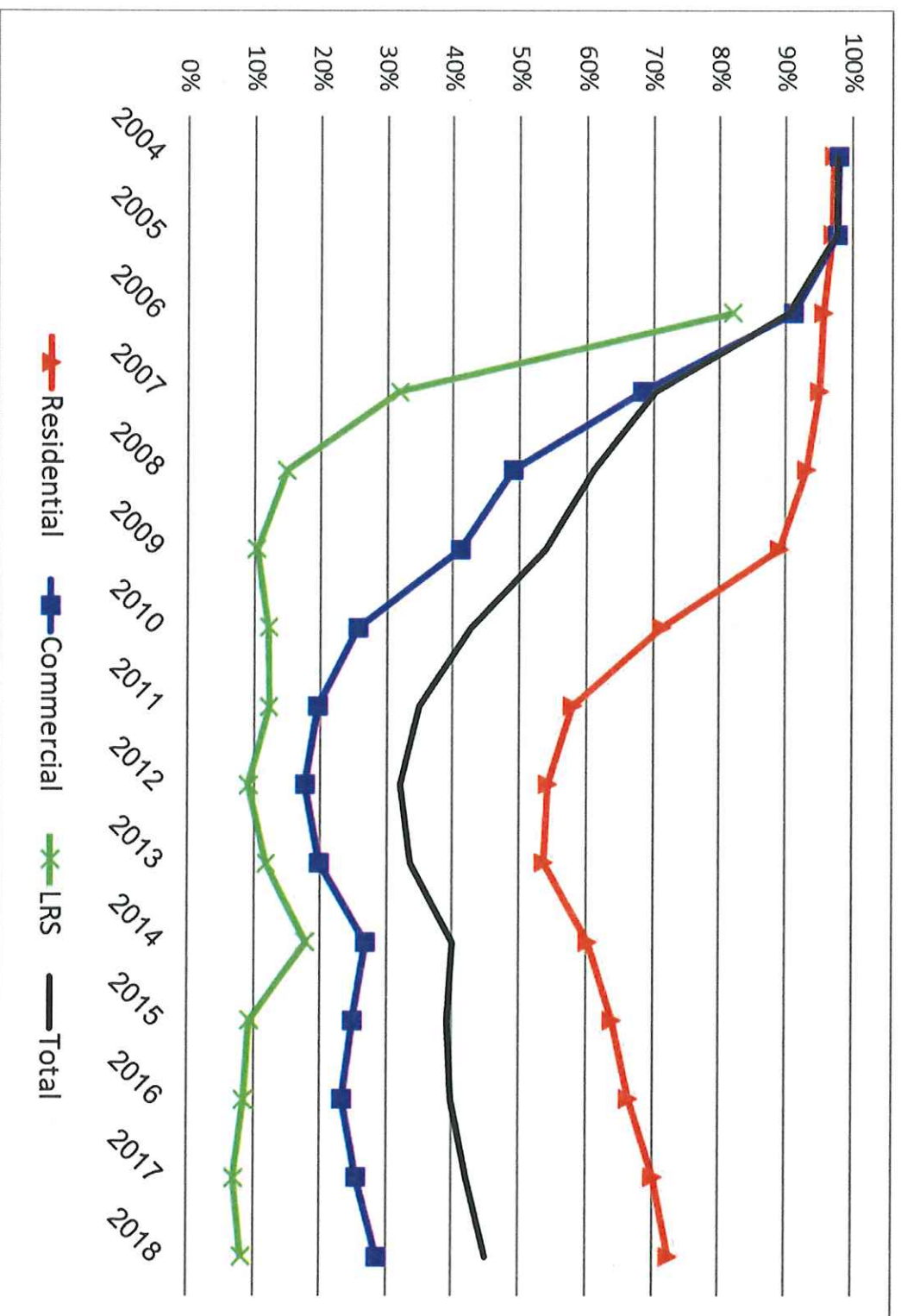
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Background

- Eversource purchases the power supply from wholesale suppliers for customers who have not chosen a retail supplier.
- Standard Service is for residential and small commercial customers and is updated every 6 months.
- Last Resort Service is for large commercial and industrial customers and is updated quarterly.

Power Supply Procured by Eversource



Eversource Residential Generation Rate

<div> <div>July - Dec. 2018</div> <div>Jan. - June 2019</div> </div>					
Product	Basis/Type	Description	<u>¢/kWh</u>	<u>¢/kWh</u>	
Load Following Energy	Market	Average cost for providing energy for all hours	4.17	5.82	
RPS	Market	Cost to acquire State-mandated Renewable Energy Certificates	0.49	0.39	
Capacity	ISO Charge	ISO-NE payments made to capacity resources for long-term reliability needs	3.71	3.77	
Short-Term Reliability Service	ISO Charge	ISO-NE payments made to generation resources dispatched to provide services such as Automatic Generation Control, Forward Reserves, Operating Reserves, and ISO-NE expenses.	0.16	0.16	
Total			8.53	10.14	

Power Supply Purchases are Made Throughout the Year

(cents/kwh)			
Slice #	2018		2019
	H1	H2	H1
10	9.145	8.611	10.555
9	9.144	8.580	10.529
8	9.108	8.575	10.486
7	9.061	8.569	10.448
6	9.260	8.879	10.386
5	9.244	8.844	10.330
4	9.234	8.839	10.272
3	9.223	8.208	10.438
2	9.424	8.188	10.385
1	9.336	8.186	10.317
Bid Dates	Oct 2017	Apr 2018	Oct 2018
	Jul 2017	Jan 2018	Jul 2018
	Apr 2017	Oct 2017	Apr 2018
Suppliers	Direct Energy	Direct Energy	Exelon
	Exelon	Exelon	NextEra
	TransCanada	Vitol	

Large C&I

(cents/kwh)

2018				2019
Q1	Q2	Q3	Q4	Q1
NextEra 10.238	DTE 6.971	Exelon 6.790	Exelon 8.632	DTE 12.697

Bid Dates

Oct 2017

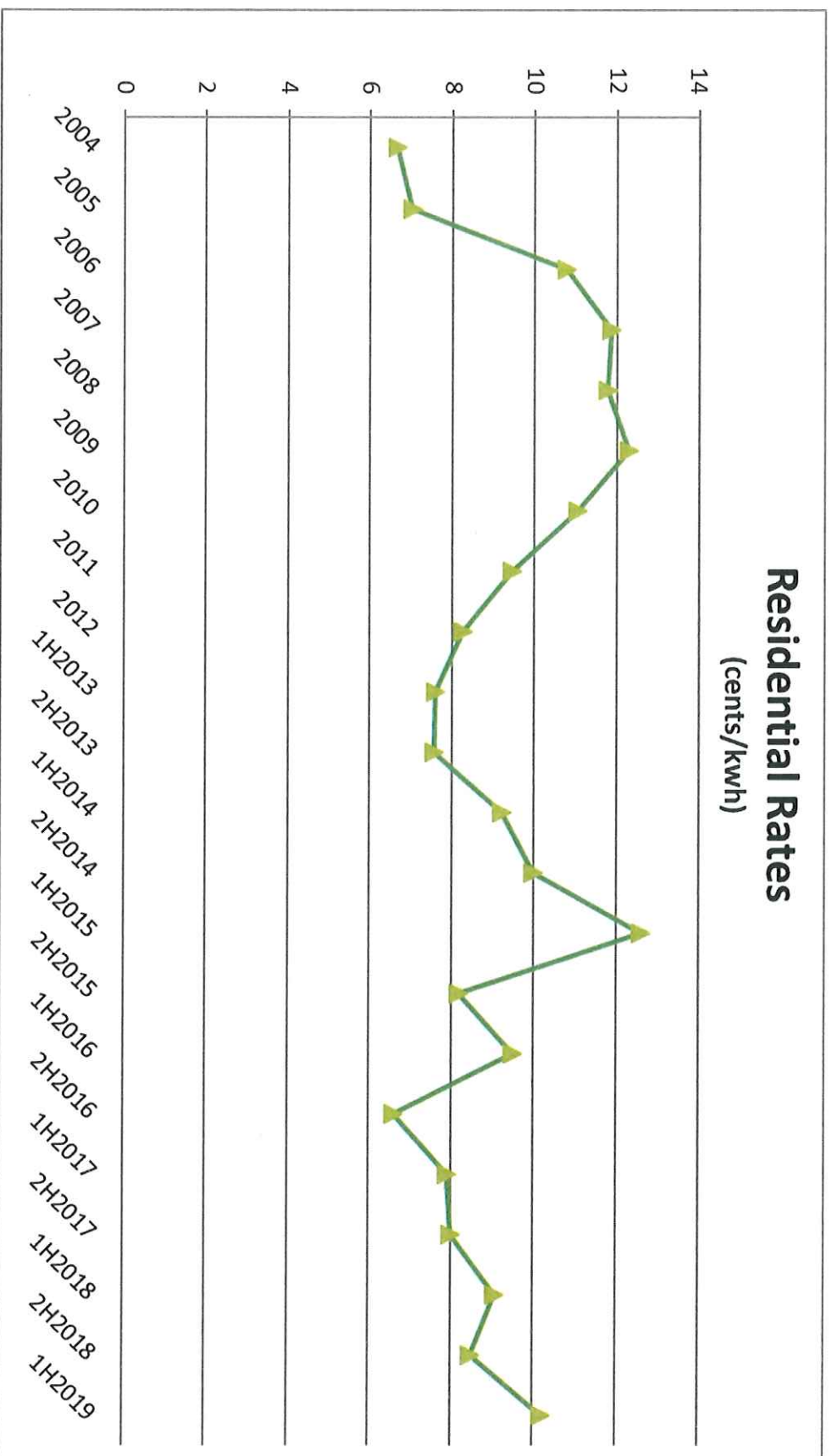
Jan 2018

Apr 2018

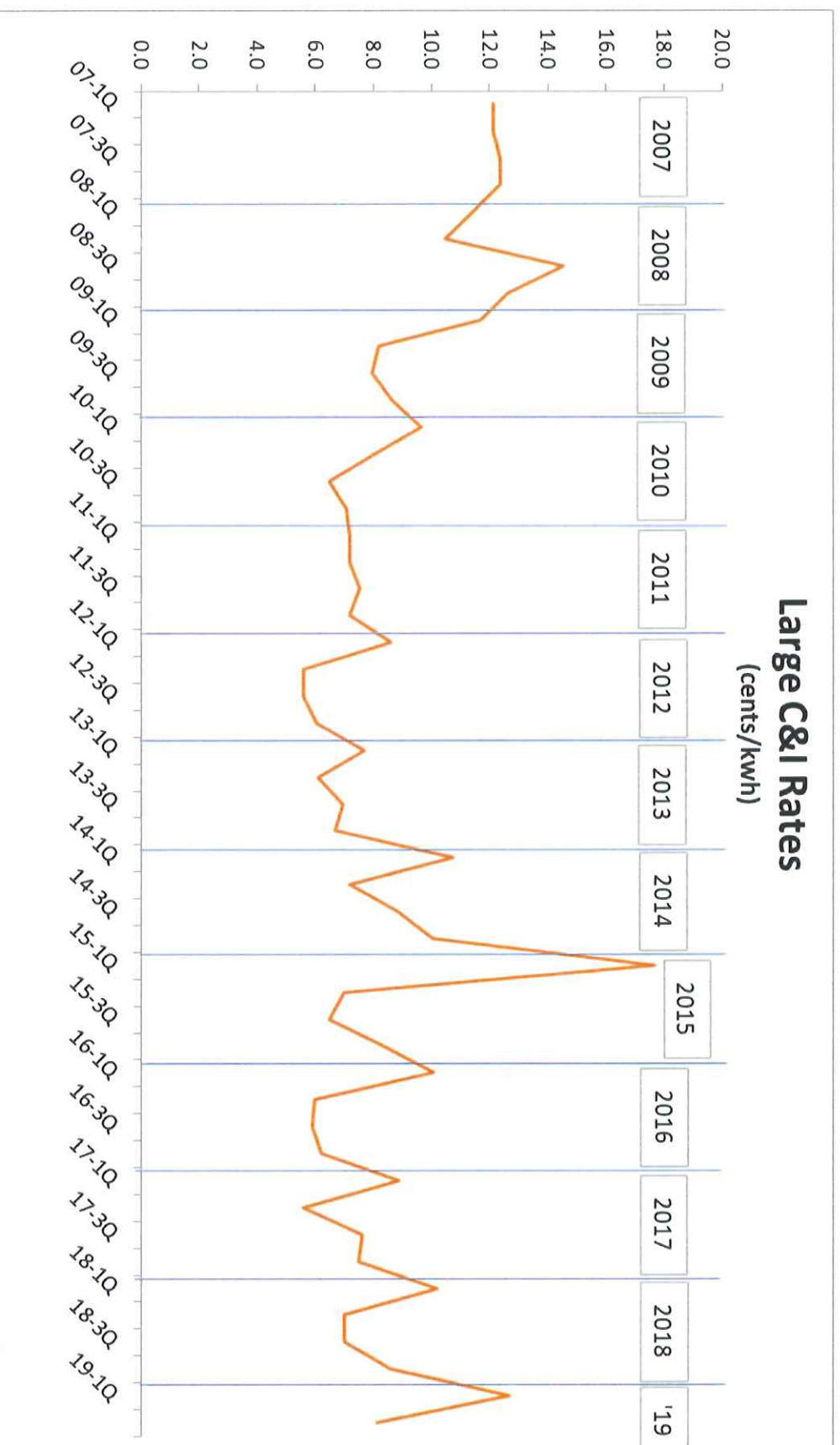
Jul 2018

Oct 2018

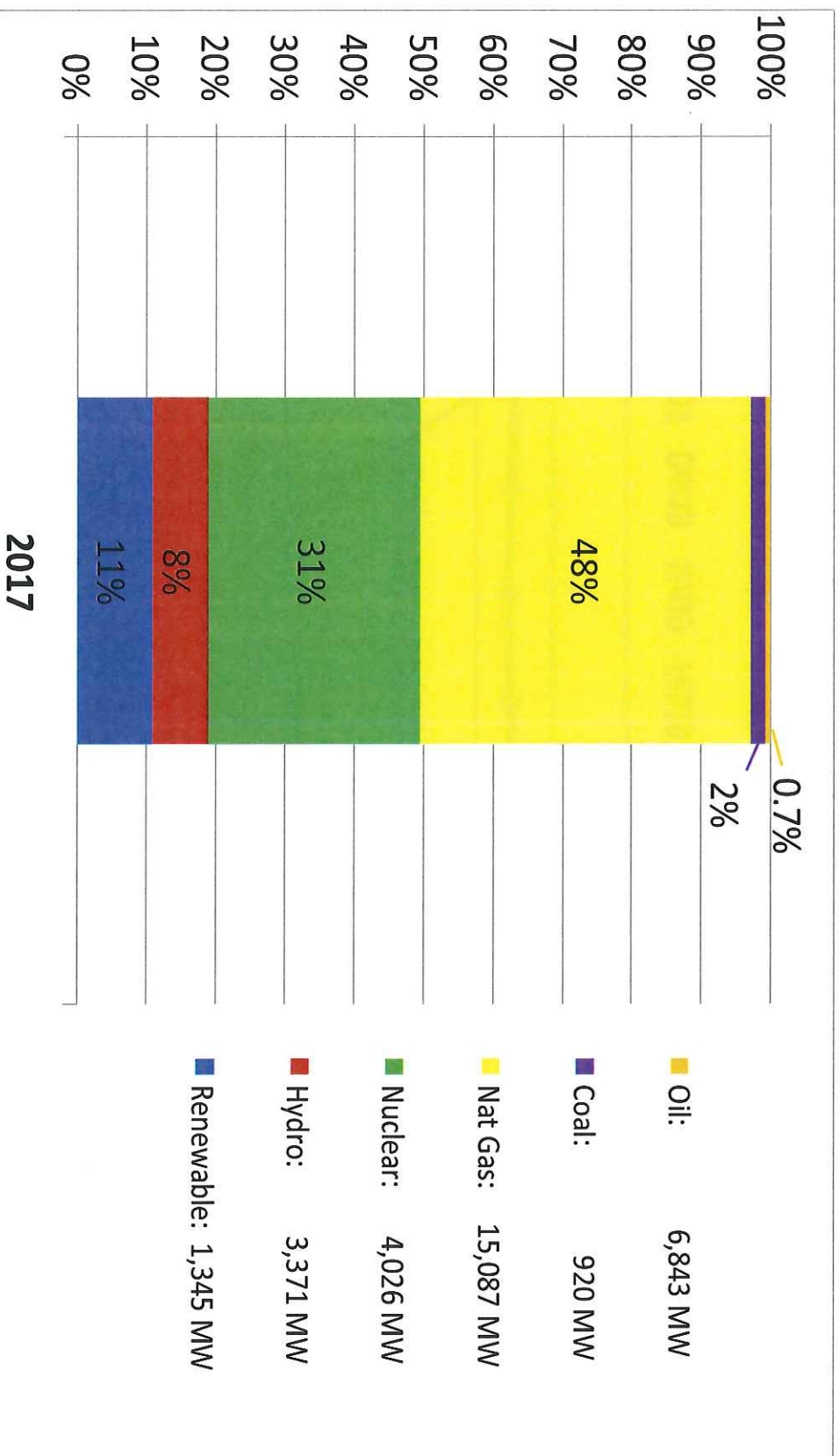
Eversource Historical Power Supply



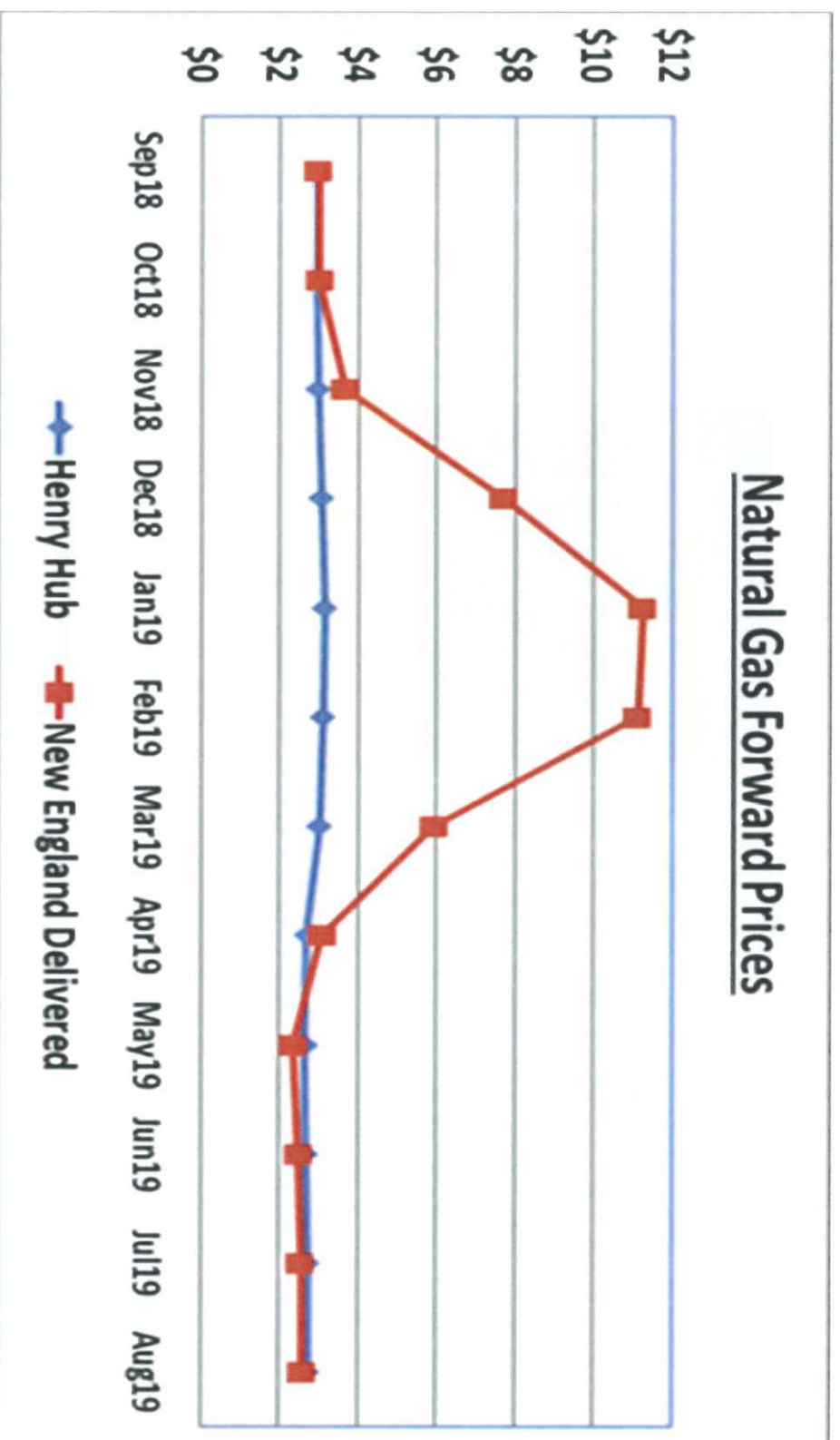
Eversource Historical Power Supply



New England Energy Production



Natural Gas Forward Prices (\$/mmbtu)



Power Supply Rate Observations

- Eversource power supply purchases for customers who have not chosen retail suppliers.

	Number of Customers	MWH's	\$M (7-1-18 to 6-30-19)
Residential	850,000	7,600,000	670
Small C&I	65,000	2,100,000	200
Large C&I	100	450,000	40
Total	915,100	10,150,000	910

- Natural gas prices are the biggest driver of the energy component of power supply costs.
- Power supply prices fluctuate between first half and second half of year because of high natural gas prices in winter months due to a constrained natural gas transmission pipeline system in New England.
- Capacity prices, which are fixed payments to generators to be available to provide power, are second largest component of power supply costs.
- Renewable energy costs can vary significantly as a function of supply.

Thank you