

ENERGY INSIGHTS

NOVEMBER 2023

A newsletter for residential customers of Holyoke Gas & Electric

For a Spanish version of this piece, please visit www.hged.com/newsletter.
Para obtener una versión en español de este artículo, visite www.hged.com/newsletter.

What to Expect this Winter

While HG&E is proud to offer some of the lowest utility rates in the region, we understand that with inflation and the rising cost of everyday expenses even the slightest increase in energy rates can have a significant impact on our customers. As a community-owned utility, we work to stabilize charges as much as possible but there are components of each rate that are influenced by market conditions and the cost of fuel, which fall outside of HG&E's direct control.

There are many factors that impact the energy market, including escalating global demand for natural gas and shortages in domestic supply, as well as the impact of supply chain disruptions and volatile economic trends. Annual regional power market costs for 2024 are forecasted to be 52% higher than what was seen in 2023. According to ISO New England, 52% of electricity in the region is generated at natural gas facilities, however during winter months due to regional pipeline supply constraints, other costlier fuel sources are relied upon to meet demand which increases market costs. These factors continue to have a significant impact on natural gas costs which directly affect electric rates. Fortunately, HG&E is vertically integrated and owns electric transmission, distribution, and generation. These electric assets, along with our fuel procurement hedging strategy for natural gas, allow HG&E to strategically manage costs and insulate HG&E customers, to a degree, from some of the most volatile market conditions.

HG&E will continue to have some of the lowest rates in the region, but we want to prepare customers for winter adjustments and provide opportunities for conservation.

Estimated increases for the average residential customers:

- **Electric - January 2024:** Increase approximately 3%, \$2.37/mo increase for customers using 500 kWh per month compared to June 2023.
- **Natural Gas - November 2023:** Winter rates are currently projected to be roughly 5% below last winter (~\$14/mo).

Note: In the winter of 2022/23, HG&E's residential gas rate was ~25% less expensive than peer utilities for the average heating customer within the region and the electric rate was ~151% lower, saving the average residential customer with gas and electric service ~\$219/month.

WAYS TO OFFSET THE ENERGY COSTS THIS WINTER & BEYOND

HG&E is urging customers to explore our list of energy efficiency rebates and incentives, free energy audits, and energy conservation tips (hged.com/rebates). In addition, there are a variety of programs available to help customers manage energy expenses, including fuel assistance, payment plans, and HG&E discounts (hged.com/payments). Visit hged.com/save or contact Customer Service by calling (413) 536-9300 for additional information.

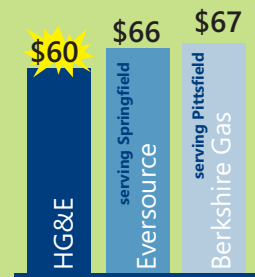
RATE COMPARISONS

LOWEST ELECTRIC RATE



October 2023: Residential customer consuming 500 kWh/month. Amounts shown include all discounts and use the fixed default generation supply price.

LOWEST NATURAL GAS RATE



October 2023: Residential customer consuming 45 CCF/month. Amounts shown include all discounts.

Update: Natural Gas Moratorium

hged.com/moratorium

Due to supply constraints during periods of high demand, HG&E issued a natural gas moratorium on all requests for new or increased natural gas service in 2019. Regionally, the demand for natural gas has outpaced supply, leading to several area utility moratoriums. **If you are doing any work that involves natural gas equipment in your home or business, please ask your contractor to contact HG&E before starting any work in order to avoid any confusion.**



For more information call **(413) 536-9300** or visit hged.com/moratorium.

What does the moratorium mean to you?

Customers can...

- **Replace** existing active equipment (equal or less connected load)
- **Remove** gas equipment
- **Activate** a gas service that has been utilized in the last 12 months (only for equipment that was actively consuming gas)

Customers cannot...

- **Add** new equipment that will increase the customer load
- **Activate** a gas service that was previously abandoned
- **Activate** an old gas service that has not been in use in the previous 12 months

For example, if a customer purchases a new property that has an existing gas service, but the gas has not been "turned on" since January 2019, they cannot activate that service.

HG&E continues to evaluate options that would alleviate the local natural gas capacity issue, including the proposed addition of one storage tank at HG&E's West Holyoke LNG facility (hged.com/LNGProject). If you are interested in natural gas service, please complete the Natural Gas Service Interest Form by visiting hged.com/NGInterest. HG&E will continue to review new service interest and contact customers with additional information.

Heating & Cooling Alternative - Mini-Splits & Heat Pumps

Air source heat pumps (also known as mini-splits) are an energy efficient, electric heating and cooling option for homes and businesses. In cooling mode, air source heat pumps operate like a central air conditioner. In heating mode, this advanced technology reverses operation to provide efficient space heating. These systems can help significantly reduce emissions and costs compared to oil, propane or electric resistance heating systems, especially with HG&E's electric mix, which is largely carbon-free! HG&E offers rebates and incentives for qualifying, highly efficient heat pumps. Please visit hged.com/heatpump to learn more!



Weatherization Assistance

Taking steps to air-seal and insulate your home will help reduce overall energy consumption. A tighter, more insulated home will not only save you money on operating costs and reduce your carbon emissions throughout the year -- it may also allow you to buy smaller, less expensive heating and/or cooling equipment in the first place. HG&E offers various incentives to help you weatherize your home including rebates and financial assistance at 0% interest through our Residential Energy Conservation Program. Customers may also be eligible for grants through the Low Income Weatherization Assistance Program. Please visit hged.com/weatherization to learn more!



EMPOWERING YOUR WORLD

HG&E Main Office
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www.hged.com

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8:30 am - 4:30 pm

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customerservice@hged.com

Marketing/Communications:
Kate Sullivan Craven
ksullivan@hged.com

Payment Options

Online Payment
www.hged.com/payonline

Phone Payment
(413) 536-9300 (Option 5)

Drive Thru/Walk In
99 Suffolk Street
Holyoke, MA 01040
(413) 536-9300

Mail
P.O. Box 4165
Woburn, MA 01888-4165

Holyoke Drop Boxes

HG&E, 99 Suffolk Street
C-Mart, 1500 Northampton Street
DB Mart, 494 Westfield Road
Stop & Shop, 28 Lincoln Street
Stop & Shop, 2265 Northampton Street
Holyoke Senior Center, 291 Pine Street

Holiday Closings

Veterans' Day
Friday, November 10

Thanksgiving
Thursday, November 23
Friday, November 24

Christmas Day
Monday, December 25

New Year's Day
Monday, January 1

Commissioners

Francis J. Hoey, III
Marcos A. Marrero
James A. Sutter

Manager

James M. Lavelle

