

| <u>Cost Item</u> | <u>Jun'19 - Dec'19 meter reads</u> | <u>Brief Description</u> |
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| Energy | \$35.94 | Energy hedged in the competitive wholesale market; lowest price obtained from competitive bidding process. |
| Balancing Energy Cost | \$1.78 | Estimated charges by the grid operator to supply customers with variable hourly energy consumption. |
| RECs for RPS ⁽¹⁾ Compliance | \$23.82 | Renewable Energy Certificates (RECs) procured in the competitive market to comply with RPS requirements in Massachusetts. |
| Additional REC Content MA RPS | \$0.18 | Additional MA Class I RECs above MA RPS requirement, sourced from the New Bedford Landfill Gas Utilization Project |
| Additional REC Content dedicated to New Renewables Project Funding ⁽²⁾ | \$4.05 | Funds allocated to a 3 rd -party trust to be solely used for the construction of <u>new renewable energy projects</u> . |
| ISO Administered Costs | \$35.42 | Estimated cost for Capacity ⁽³⁾ and Ancillary Services. ⁽⁴⁾ |
| Distribution Losses ⁽⁵⁾ | \$6.48 | Estimated cost for electrical line losses from the delivery of energy to the customers' meters. |
| Power Cost Adjustment | (\$4.81) | Charge or credit for differences between estimated costs and actual costs. |
| Cape Light Compact Operational and Reserve Fund | \$1.00 | Cape Light Compact operating fund fee. |
| Purchase of Receivables ⁽⁶⁾ | \$0.13 | Eversource is required to charge a fee to purchase the accounts receivables of competitive suppliers. |
| Total ⁽⁷⁾ | \$103.99 | |

Explanatory Notes:

(1) Renewable Portfolio Standard (RPS): Legal/regulatory requirements that obligates retail suppliers to obtain specific types/amounts of RECs from renewable sources such as wind and solar; based on percentages of retail customers' energy usage. RPS requirements may only be altered by changes in Massachusetts laws or regulations.

(2) Additional REC Content: Your retail energy supplier has agreed to supply additional wind or solar voluntary RECs such that 100% of your energy usage will be covered by voluntary renewable energy certificates. 100% of the supplier's revenues from the sale of Additional REC Content will be deposited into the EarthEra Renewable Energy Trust (EarthEra), which is a 3rd-party trust with US Bank acting as the trustee. Pursuant to EarthEra's trust agreement, these funds may only be used for the construction of new renewable energy projects. Your retail energy supplier has also committed to direct its contracted supplier fees into the EarthEra Renewable Energy Trust (for avoidance of doubt, there are no additional fees that are being charged to supply this service). The Additional REC Content charge reflects the sum of a) the cost of the voluntary RECs and b) the contracted supplier fees your supplier has committed to deposit into the Trust.

(3) Capacity ensures that the New England power grid will have sufficient generation resources to meet customers' instantaneous and future demand for electricity. These costs are mandatory and are applied uniformly to all New England power customers.

(4) Ancillary Services: These services ensure the reliability and stability of the New England power grid transmission system. These costs are mandatory and are applied uniformly to all New England power consumers.

(5) Distribution Losses: The New England power grid is not 100% efficient and some electricity is consumed during its transmission from electric power generators to your home or business. Eversource determines these consumed quantities as a percentage and they must be paid for: 6.781% for Residential/Commercial customers and 2.947% for Large Industrial customers. These loss figures may be changed by Eversource.

(6) Fee charged by Eversource to Suppliers to recover non-payment to Eversource by its customers (bad debt costs); Eversource purchases Suppliers' receivables at face value less this fee which is in the form of a percentage. The fee is 1.30% for residential, 0.4% Small C&I, and 0.33% for large C&I customers respectively. These fees may be changed by Eversource.

(7) This rate applies to Cape Light Compact's Commercial customers. Customers with the following Eversource rate codes receive the Compact's Commercial Rate: G1, G5, G5, S1, S2