

COMMUNITY POWER COALITION OF NEW HAMPSHIRE
Member Operations & Engagement Committee
 Minutes | 5/10/22, 10am - 11:30am
 City Hall, Council Conference, Dover NH 03820

Committee Members in Attendance:

Member	present/ virtual	Member	present/virtual
Nat Balch, Durham	Present	Paul Looney, Walpole	Absent
Jo Ellen Courtney, Enfield	Present	Craig Putnam, Hudson	Absent
Jamie Hess, New London	Virtual	Lisa Sweet, Rye	Present
Howard Kalet, Rye	Present	Jackie Wengenroth, Pembroke	Virtual
Chris Parker, Dover	Present	Dori Drachman, Peterborough, advisory member	Absent
April Salas, Hanover	Absent	Julia Griffin, Hanover, advisory member	Absent

Guests

- Kevin Charette, Portsmouth Director; Lew Hitzrot, Exeter EAC; Cliff Sinnott, Exeter EAC; Stephanie Marshall, Exeter Energy Committee; Steve Holmgren, Durham EAC; Mandy Merrill, Durham Director; Matt Miller, Pembroke Director; Andrea Hodson, Harrisville Director; Clifton Below, Lebanon Director; Bill Baber, Dover Energy Commission; Henry Herndon; Samuel Golding, Community Choice Partners; Ned Hulbert, Harrisville EAC; Tom Pfau, Rye EAC

10:05 Lisa Sweet calls the meeting to order.

Notes

Agenda

- 1. (5) Housekeeping**
 - a. Roll call - Welcome to Jo Ellen and Jamie!**
 - b. Quorum confirmation - 1/3 of committee+quorum so 4 is quorum with 10 members**
 - c. Approval of [2022-4-12 CPCNH MOE-C MINUTES DRAFT](#)**

Chris Parker moves to approve the minutes from April 12, Nat Balch seconds. Motion passes 4 – 0 – 5 (Jo-Ellen Courtney and Jamie Hess abstain; April Salas, Paul Looney, and Craig Putnam absent).

2. Implementation Community Power Programs - Samuel Golding

a. **Presentation** - [[PRESENTATION HERE](#)]

b. **Q & A**

Howard Kalet asks about how timing of knowing the Eversource rates / price-to-beat affects launch and timing for customers to make informed opt-out or opt-in decisions.

Samuel Golding notes that Eversource rates are published in Mid-December and begin to apply in February and are fixed for six months through July. Matt Miller and Clifton Below confirm Eversource rates are known and public Mid-December.

Kevin Charette notes that Portsmouth is identified on the chart as tracking towards 2024 launch, but is curious about understanding options for launch timing.

Samuel Golding notes April – May is generally favorable, but programs could launch in other months as well.

Kevin Charette asks about the length of the contract term? Could we have a rate we go in with that ultimately, by summer, is no longer below the utility rate?

Samuel Golding notes the initial term of the service contract stated in the RFP was that we would start with 3-year terms of service commencing with the launch of the first CPA programs. But that is not indicative of the term of the power supply or the ability of CPCNH or its individual members to adjust rates on a more regular basis. This is a benefit of portfolio management. Instead of a fixed term contract for 1-3 years, the members are overseeing the process of constructing and managing a portfolio themselves which offers more flexibility to adjust rates more continuously and to transact and take advantage of market conditions in competition with utility rates.

Nat Balch asks for confirmation that there will be a technical appendix for the EAP in late May.

Samuel Golding confirms.

Nat Balch asks when the Key Agreements and Policies will come out.

Samuel Golding notes it is a two-fold process. First, at the CPCNH Board level, Directors and Alternates will be engaged in an educational process for the Key Agreements and Policies. It will be a priority for the vendors and CPCNH as the first big lift after vendors are under contract. The agreements and policies must be approved at the CPCNH Board level (early fall), and Members need to be equipped to

engage with and educate their governing bodies, which will be supported by CPCNH and its vendors. Each governing body will also have to adopt each of the key agreements and policies (by December, preferably earlier).

Key Agreements and Policies:

- (1) Cost Sharing Agreement
- (2) Energy Risk Management Policy
- (3) Financial Reserves Policy
- (4) Rates Policy

Nat Balch notes that it will be useful for EACs to have materials, preliminary drafts, to help EACs get ahead of the education.

Samuel Golding notes that most of the documents are fairly industry standard, and he can provide example of other JPA risk management policies, etc. Certain items will be unique to CPCNH because each Member is a separate CPA, and so each Member has more flexibility than the typical JPA structure. Reading through a risk management policy could be a useful thing for EAC members.

Lisa Sweet notes examples can be made available and shared via the Member Ops Folder.

Cliff Sinnott notes the presentation and memo are helpful and appreciated. He asks about PUC initial approval of rules and then the “test-case” EAP. Is end of May still realistic to expect PUC rules proposal to JLCAR? Do you think the PUC will be inclined to act on any plan without final approval from the legislature / JLCAR?

Clifton Below notes that there is uncertainty about the PUCs thinking or timetable, and the timeline is a best guess. 90% of the rules are noncontroversial, but there are different perspectives between utilities and non-utilities on a few items such as the type of data access. After rules come out, CPCNH and the utilities will have to decide if they can live with the rules, or if they want to make a case for changes before JLCAR. The PUC has indicated they recognize this is a policy priority and they intend to move it along expeditiously.

Samuel Golding notes that the rules that might differ from the initial proposal (which was drafted by CPCNH) are some of the data elements and modifications to utility billing systems. These changes would not compromise CPCNH’s launch or CPCNH’s ability to provide a strong competitive advantage at launch. Samuel notes he does not anticipate serious barriers. Additional factors outside of our control are market factors.

Lew Hitzrot notes that a possible bottleneck in the process is acquisition of the necessary data. How sure are we that the utilities are aware of and comfortable with, willing to provide the necessary data, and do so in a timely fashion? Where are we in terms of cooperation from utilities and them understanding what data they need to provide?

Samuel Golding notes that Eversource has indicated its desire is to provide the same data sets that it provides in Massachusetts. All utilities are routinely providing data to competitive suppliers upon request given the necessary authorizations. What the utilities are being asked to do is code in some relatively straightforward items to modify slightly what data is shared. We expect the utilities to comply with the administrative rules adopted by the PUC.

Andrea Hodson references slide 22, and notes that it will be the selected vendor that helps shape the four Key Agreements and Policies with input from the CPCNH Board. Once the policies are agreed on by CPCNH, then they will be floated to Member governing bodies to adopt. And it is these policies that will guide what it looks like on the ground for Community Power Plans, tiers of product offerings, etc. is that all within these policies?

Samuel Golding notes this is correct.

Andrea Hodson, referencing Slide 6, asks, when does the delegation of procurement authorities from Governing Bodies to CPCNH occur? At what point is authority delegated?

Samuel Golding notes that delegation of procurement authority (via governing body adoption of the four Key Agreements and Policies) must occur by mid-December 2022 (October-December timeframe) to allow the CPCNH and its vendors to procure power on behalf of members in time for an April – May 2023 launch.

Mr. Golding notes that CPCNH's Joint Powers Agreement is designed such that each Member pays for the costs it imposes, and no Member can unfairly cause cross-Member subsidies to occur.

Andrea Hodson asks, what is a reasonable expectation for what the margin will be, between what we buy and what we sell at.

Samuel Golding references the cost-modeling and monthly cashflow analysis from the draft business plan. That processes estimated suppliers built in a bid margin of 8.8% to cover costs, risk, profit. That aligned with an analysis done by Synapse Energy Economics. But because suppliers transact in the market regularly, those margins can increase to 12% above the cost of power. The analysis suggests that CPCNH can anticipate \$30,000,000 in CPA Member Reserves accrued over a five-year modeling horizon, which is equivalent to ~7.5% average rate decrease or purchasing 16% more renewable energy certificates relative to the Utility. Within 15 months, CPCNH could register as a Load Serving Entity with ISO New England, within 30 months be financially self-sufficient, and within 4-5 years CPCNH could achieve an investment grade credit rating.

Steve Holmgren notes that in the EAP document it states that financial reserves are used to lower risk factors. So at start-up, how do we plan to handle adverse events if reserves are low.

Samuel Golding notes that all CPAs launch in the position of not having reserves they own. So CPCNH can arrange for credit support, loans or a credit facility, which can be structured so that if CPCNH needs to draw down that credit facility without raising rates, then it can. This is industry standard. Early on, debt and credit support are being drawn down and repaid depending on the seasonality and how that affects cashflow. Generally, will make more money in the spring through summer, and costs will increase during the winter months.

Clifton Below notes that the credit facility also covers the lag between when CPCNH pays for power, and when CPCNH collects receivables from customers. On average, a 2.5 month lag between cost incursion and revenue coming in, at launch.

Kevin Charette notes that there are many folks with experience on the call, he wants to ask a question of them. What is a reasonable timeline to draft the EAP, schedule public hearings, and move towards City Council approval, without it being a fire drill? What is a reasonable timeframe?

Clifton Below notes that in Lebanon, they dug into the template in May 2021 with a sub-committee filling in the customizations, inserting Lebanon's policy goals from the master plan, and by late June it was just between two meetings that the text was firmed up. There are now slide deck templates. Lebanon set a first public hearing in July and a second in August. A public hearing was held in conjunction with City Council, which helped educate the Council. The vote was held in September.

Kevin Charette asks, so a four-month period?

Clifton Below notes it took 3 months, with the approval in the fourth month.

Lew Hitzrot notes that Exeter started working in September, keeping the Select Board up to date, and by early December they had the EAP complete and ran it by the select board and got it done by the end of the year. It took about three months. And it was helpful to have one person tasked with leading the EAP drafting, for review by the committee.

Kevin Charette notes that Portsmouth has a Committee meeting tomorrow, and this input is very helpful.

Lisa Sweet notes that Rye's timeline was very similar to Exeter.

3. Next Steps - postponed discussion

4. Adjourn - next meeting Tuesday June 14, 2022 @10:00 am

Chris Parker moves to adjourn. Howard Kalet seconds. Passes unanimously by rollcall.

MOEC 2022 Goals

- 1) *Support 9 current members in achieving local approval for Community Power programs in 2022 and prepare other members for approvals in 2023.***
- 2) *Provide support to communities who are interested in joining CPCNH, guide them through the process of adopting the JPA and establishing an EAC, and provide orientation for new members.***
- 3) *Unpack timelines from 'Community Power Program Approved' to 'Community Power Programs Launched' to develop guidance and resources for members with approved community power programs.***
- 4) *Develop a categorized list of CPCNH services and resources (recruitment → implementation) to be accessible for amendment on a continuous basis.***