

 <b>COMMUNITY POWER COALITION OF NEW HAMPSHIRE</b>	FINANCE COMMITTEE MINUTES	
	Meeting Type:	Regular Meeting
	Meeting Location:	3rd Floor, Conference Room 3 City Hall 51 N. Park St., Lebanon, NH
	Meeting Date:	Monday, March 18, 2024
	Meeting Time:	9:00 AM.

Members, attending in person	Others, attending virtually	Members, absent
<ul style="list-style-type: none"> <li>● Finance Committee Chair, Clyde Carson, Warner</li> <li>● Kimberley Quirk, CPCNH Treasurer</li> <li>● Clifton Below, CPCNH Board Chair</li> </ul> Guests <ul style="list-style-type: none"> <li>● Brian Callnan, CPCNH CEO</li> </ul>	<ul style="list-style-type: none"> <li>● Paul Looney, Walpole</li> <li>● Terry Clark, Cheshire County</li> <li>● Henry Noel, Berlin</li> </ul> Guests <ul style="list-style-type: none"> <li>● Bobbi-Jo Michael, CPCNH Director of Administration</li> <li>● Brendon Spera, ecoCFO</li> <li>● Jennifer Michael,, ecoCFO</li> </ul>	<ul style="list-style-type: none"> <li>● April Salas, Hanover</li> <li>● Andrea Hodson, Harrisville</li> <li>● Kathleen Kelley, Randolph</li> </ul>

### Proposed Agenda

1. Welcome, Roll Call
2. Approve Agenda and 2/19/2024 Meeting Minutes
3. Review of the Financial Reports
4. Other Business, Next Meeting, Adjournment

### Welcome, Agenda, and February 19 Meeting Minutes

Finance Committee Chair, Clyde Carson, called the meeting to order at 9:05am, establishing an in-person quorum.

***Treasurer Quirk moved to approve the agenda and the February 19 meeting minutes as prepared. Carson seconded the motion. Motion passed by unanimous consent.***

Callnan and Quirk welcomed the staff attending from ecoCFO. Brandon Spera shared that he has been primarily working with Brian on financial forecasting, updating the board approved budget and variance reports. Jennifer Michael introduced herself as she recently started her position with ecoCFO and is filling the vacant Controller position.

### Investment Policy

Carson suggested the Finance Committee discuss the DRAFT Investment Policy developed by Kathleen Kelley at the next Finance Committee meeting. CEO Callnan confirmed he does have the draft policy and will review it ahead of the next meeting.

## **Finances**

The board finalized and approved the 2024 budget back in November of 2023. This is the committee's first opportunity to review it against the actuals for January 2023.

Quirk presented and discussed the *Statement of Activities*. She opted to show the last three months and January 2024 to provide some reference to January's numbers. Once we get to the end of the first quarter, the QuickBooks reports will show the current and previous quarter of data..

CEO Callnan pointed out that the chart of accounts in these financial statements include account numbers now, which are tied to standard account numbering for our industry.

Quirk went on to discuss the *Financial Position Report*. This is where all of the bank accounts can be seen. The Lockbox Account is where all of the revenues come in from the utilities and is used to pay specific vendors associated with our large energy purchases. Money is moved from the Lockbox to the Reserves Account on a monthly basis and a small amount is moved from the Reserves Account to the Operating account to pay CPCNH salaries, G&A, rents, Legal and consulting fees, and other general administrative expenses.

## **Variance Report**

The approved budget from last November for the 2024 calendar year showed estimated revenues for the year to be just over \$100M. Only a week after passing that budget the historic load data for the communities launching now was obtained and is significantly lower than that budget. You can see the first big variance of the year in the new projected revenue, which is now \$83M, and \$18.5M decrease.

About \$7M of that was due to incorrectly forecasted loads for the communities launching this month, and about \$11.5M of that is due to the fact that the rate we chose at our last rate setting session is quite a bit lower than what we forecasted.

Load forecast:

Back in Oct, the data that was used to estimate loads for the communities launching now (March) was to compare new communities with existing ones of similar population. That turned out to be a poor analogy and we will not use that to project loads for new communities going forward. We will use the latest Utility historic data.

Rate forecast:

One reason the rate was so much lower than we expected in Oct was because of the issue with Eversource's exceptionally low rate to make up for a very high rate in the previous period. Also, the warmer than usual winter meant prices stayed lower than usual as well. It was great that we were still able to set our rate below all the Utility's base rates.

Revenues and COGS Forecast Going Forward:

Rate setting and detailed knowledge of the loads for upcoming community launches will always be different than what we forecast. For instance, the 2024 budget does not include energy forecasts for any other wave of launches that might occur during the remainder of 2024; and we have based the the second half of 2024 on a rate projection that might, once again, be off significantly from what we thought it would be in Oct of 2023.

Along with lower revenues will be lower expenses, which is good to keep our net margins closer to what was expected in the 2024 budget. Also, operating and G&A are below expectations which results in Net margins being down by just under \$1M.

Carson asked if we have any reporting requirements to the DRA. Callnan shared that we have reporting requirements to the EIA. Bobbi-Jo Michael does this reporting to the EIA on a monthly basis and there is an annual report to them as well.

CPCNH Board Chair, Clifton Below suggested we change the name of Account #8060 from Entertainment/Meals to possibly Business Meals.

Callnan shared that the use of bill.com has been quite helpful and is allowing the ecoCFO Staff Accountant, Eve, to keep our accounts payable accurate and current.

Callnan relayed that Calpine has asked us to address the 2023 Accrued Recs by June 15, 2023. He has been in discussions and may possibly hire a broker to assist with this. We may want to develop a policy around paying the Renewable Recs.

One reason to wait until we are required to pay the RECs is because we don't know the actual cost until the end of the year (June). This year the RPS obligation was reduced from 8% to .5%. If we paid them earlier we would have paid a much higher rate. That cost reduction results in a net impact to us of \$81,000.

CPCNH Board Director, Paul Looney -asked if we should re-do the budget based on what we know now. Quirk replied that it was considered and discussed but ecoCFO helped us understand that is not a great direction to move in. Callnan added that we do review it each month and though it is unfortunate to see this variance each month it is what was approved by the board members and we should continue to use it.

The March Board meeting will be the first time members see the numbers using the comparison to the budget. The launches expected in June will be an uptick in Revenue. We should today know more about which municipalities will be joining this week.

Quirk discussed the Reserve Operating Days. The expectation is to be in the 75 day range by the end of 2024. The Reserve Operating Days calculation was updated so that we are looking forward now instead of looking at the last month. This is a more realistic look at determining Reserve Operating Days.

Quirk shared that the Benefit Report is available through the end of January 2024 now. There were no changes made here.

Callnan discussed that the Opt Action and Product Election Report will have more accurate information for the Total Accounts for the April Board meeting. Active Accounts need to be looked at closely and Callnan will look at these with Calpine.

Carson asked if and when we will have Wave 2 launches showing up. Quirk replied that they will be added to the report in about two more months. This is a large report and will likely need to be set up by Waves.

**Next Meeting, Other Business, and Adjournment.**

The next meeting was confirmed for Monday, April 15, 2024 at 9:00 a.m. We will aim for the in person location to be Keene.

***Treasurer Quirk moved to adjourn the meeting at a.m. Chair Below seconded the motion. Motion passed by unanimous consent.***