

MINUTES

Meeting Type: Regulatory and Legislative Affairs Committee Meeting Meeting Location: Meeting Rm 1, City Hall, 51 N. Park St., Lebanon NH

Meeting Date: Tuesday, October 18, 2022

Meeting Time: Noticed for 12:00 pm on CPCNH.org and at Lebanon

City Hall

1. Call to Order and Roll Call of Member Representatives

Mandy Merrill called the meeting to order at 9:34 pm.

The following members were present. Those attending virtually stated that it was not practical for them to attend in person.

Member	Director	Regulatory and Legislative and Affairs Committee Position	Present / Absent
Durham	Mandy Merrill	Chair	Present virtually
Lebanon	Clifton Below	Member	Present in person
Plainfield	Evan Oxenham	Member	Present in person
Warner	Clyde Carson	Member	Present virtually

The following guests were present virtually: Jhelum Bagchi - Calpine, CCA Account Services manager, Drake Welch - Calpine Senior Vice President - Support Services and CCA Business, and Henry Herndon - Herndon Enterprises.

2. Approve Minutes of July 28 Meeting

Clifton Below noted one change to the minutes. "Jhelun" should be "Jhelum". Clifton moved to approve the minutes with the noted correction. The motion was seconded by Mandy Merrill, and approved without objection.

3. Report on PUC Dockets

DE 19-197 Statewide Energy Data Platform

Clifton reported that a Governance Council had been created and that he is a member of this council, representing CPCNH and community power in general. The Governance Council is acting as a Steering Committee for the Data Platform, and the Steering Committee makes all decisions on daily progress for this platform. There is also a project

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manager and working teams. Consultants will be engaged for work on the back end of the data platform, which means preparing the utility databases to be able to export data through application program interfaces to the to the platform that can consolidate information from different utilities and provide it to users of the platform. A working team is creating a Third-Party Use Survey and the results of the survey and the discussion with the back-end consultant will provide input into the platform design. A cost-benefit model is also being developed by Dunsky. The PUC approved the proposed schedule and approved the consulting contract with Dunsky. The actual approval to proceed with the development of the platform is not expected to occur until August or September of 2023.

DRM 21-142 CPA rules

Clifton reported that this docket it should be closed because the PUC has now formally adopted the rules, but there have been some interesting fillings. Eversource filed a motion for waiver or part of the rules in the docket. The particular rule that they're asking for a waiver from providing information on is a rule that said, until such time as a purchase of receivables program is in place, they need to share with CPCNH what essentially their accounts receivable are, including aged receivables.

Eversource estimated their total cost of modifying their system to comply with the all the CPA is \$1.9 million. The other utilities have not indicated it's going to cost anything close to that. In addition, Eversource is saying that just to comply with this one particular rule, would cost them an extra \$250,000, hence their request for a complete waiver of the rule.

Of even greater notes is Eversource's motion for approval of regulatory asset. They seem to be laying the argument that this \$1.9 million should be potentially recovered from community power aggregations. Then they go on to explain why they think this is so expensive and what a regulatory asset is, and that it doesn't mean they're actually allowed to recover money, but it's something that they can put on their books.

A really significant note is that the consumer advocate turned around and filed the exact same day because he was so outraged when he saw this particular motion and he said that had a pair of very unusual filings in this docket on the grounds that they can't comply and then enter a motion wanting to take those costs associated with changes to their billing systems, comply with the rules, and have them qualified as regulatory asset.

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The consumer advocate argues for the PUC commissioners to reject these pleadings stating that they are not appropriate for filing in a rulemaking docket, and also says that particularly inappropriate to add that because it has to be contested case and judicated case. He points out that the reason they saying they can't comply is that the company's ancient building system, nearly 40 years old, cannot accommodate needs of the modern grid required by statute. Whether this utility should be rewarded for its failure to update billing systems or whether Eversource should have certain costs allowed are controversial questions that a rulemaking docket cannot address.

Clifton said that at some point the PUC will state that they are closing this docket and that Eversource should separately file its motion for waiver and its requests for a regulatory asset, and that this will be dealt with in an adjudicative proceeding.

Clifton added that we will need to monitor the docket book for PUC actions on this topic.

IR 22-056 Default Service procurement

Clifton stated that There was an amendment to the net metering statute in 2021 which was before the formation of CPCNH. This stated that "the Commission should consider the question of whether or not exports to the grid by customer generators taking default service, should be accounted for as a reduction to what would otherwise be the wholesale load obligation of the load serving entity, providing default service absent such exports to the grid. The Commission should use its best efforts to resolve such questions through an order in adjudicative proceeding, which may be DE 16 and 576, which is the net metering docket that's still open. It should no later than June 15th, 2022." In his comments on this docket Clifton said that this issue had not been addressed to date, and it's not believed that they count for this as offsets to the whole seller obligation.

Clifton explained the significance of this. Eversource pays the full default service rate for exports to the grid for net metered customers. They are taking that entire payment and calling it a stranded cost and charging it to all customers, whether they're on default service or not. But they're also not using those kilowatt hours to reduce what the default service supplier has to otherwise buy. So, if there is 1000 MWh for given period that register as consumption on retail leaders, but there is 100 MWh that are exported to the grid over that same time period, then the net load on the on the transmission grid and from the wholesale market is 900 MWh. Eversource still makes the supplier buy 1000

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MWh and up until a couple of years ago, they were doing that with competitive suppliers as well.

Clifton noted that we got the law changed to say that for community power aggregation specifically, and competitive suppliers that they have to use exports to their grid for their customer generators as an offset or reduction to what would otherwise be their whole load obligation. Eversource complained that their system was not set up to handle this requirement but Liberty changed their system to comply with the law.

Clifton said that this requirement was written into the community power aggregation rules, so CPCNH can afford to compensate people who export power to the grid.

The problem is that Eversource is doing the same thing with default service, but they're shifting the cost of that to us, and it inflates politically. They are able to say there are millions of dollars in stranded costs that everybody has to pay through a standard cost recovery charge, notwithstanding the fact that the law says they have to take measures to mitigate stranded costs. Clifton said that this should be addressed under this docket.

DE 22-060 New net metering tariffs

Clifton recommended that CPCNH intervene in this docket.

IR 22-061 SB 321 jurisdictional issues

Clifton said that this docket relates to SB 321 which explicitly authorized limited electrical energy producers under 5 megawatts in size connected to the distribution system and not participating in ISO New markets to sell to customers directly at retail or to sell to suppliers in intra-state wholesale commerce which is under state jurisdiction. Further, the new law provides that if the limited electrical energy producer is selling at retail or wholesale within the state, the producer gets credit for actual avoided transmission charges by looking at how much they put onto the distribution grid at the hour of coincident peak demand, on which transmission charges are based each month. In addition, that they get credit for actual avoided capacity charges.

The legislation came with a caveat that the PUC was asked to make a definitive determination about the jurisdictional issues between state jurisdictional and federal jurisdictional. So, the PUC, on their own initiative, decided to do an investigation to

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consider this. The problem with that decision is this arguably should be an adjudicated proceeding because it affects the rights, duties and privileges of the utilities and or limited electrical producers or community aggregations that want to be off takers of distributed energy projects. A favorable ruling could make one to five MW projects viable that we could directly be off takers for over time. Clifton is having discussions with two lawyers, asking if they could work pro-bono on this for CPCNH.

Evan Oxenham proposed a motion for this committee to recommend to the Board that CPCNH intervene in **DE 22-060** "Changes to the Current Net Metering Tariff Structure" and participate in **IR 22-061** "Investigation of Potential Jurisdictional Conflicts". Clyde Carson seconded the motion. The motion passed on a roll call vote, 4 in favor, 0 opposed.

4. Legislative Updates

Transactive Energy Procedures

The NH Electric Co-op is developing a transactional energy pilot in which they dispatch devices such as batteries or shut down devices consuming power such as EV chargers. This would use price signals to control what happens on the electrical grid. Recently, Joe Kwasnik, a former chairman of the New Hampshire Electric Cooperative and a founder of the NH Network for Environment, Energy and Climate and Sam Evans Brown suggested to Clifton that there should be legislation to enable transactive energy procedures.

Legislative Service Requests

The following LSRs are of interest. There is no further information about these at this time.

- Keith Ammon (R Commerce and Consumer Affairs): 2023-0207 HB relative to electric microgrids.
- Fred Plett (R Science, Technology and Energy): 2023 0172 HB relative to least cost integrated resource plan of utilities.

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5. Other Business

CENH Contract

Clifton stated that part of the contract we're negotiating with clean Energy, New Hampshire is that they would support legislative and regulatory monitoring. They do that anyways, but they would also in particular be calling out stuff that would be of interest to us.

Committee Charter

Mandy mentioned that we are supposed to have a charter for the committee by the time of the annual meeting in April. Clifton said that Samuel Golding had offered to share some examples. Clifton will ask him for those and will also ask Calpine if they know of charters for this type of committee.

6. Date of Next Meeting

The next meeting will be held on November 10 at 9:30 am.

7. Adjournment

Mandy Merrill adjourned the meeting at 11:02 am.

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