



**COMMUNITY
POWER COALITION
OF NEW HAMPSHIRE**

RISK MANAGEMENT COMMITTEE – MINUTES

Meeting Type: **Risk Management Committee**
Meeting Location: **14 Dixon Ave, Suite 201, Concord, NH 03301**
Meeting Date: **Wednesday, October 5, 2022**
Meeting Time: **Noticed for 9AM**

Committee Members in Attendance:

- Risk Management Committee Chair Matt Miller, Town of Pembroke Director
- Jackson Kaspari, City of Dover Alternate
- Kevin Charette, City of Portsmouth Director
- Peter Kulbacki, Town of Hanover Alternate (virtual)
- Nick Devonshire, Town of Exeter Director (virtual)
- Treasurer Kimberly Quirk, Town of Enfield Director (virtual)

Committee Members in Absence:

- April Salas, Town of Hanover Director
- Clifton Below, City of Lebanon Director

Guests:

- Jan Gugliotti, Warner Electric Aggregation Committee
- Scott Wrigglesworth, Ascend Managing Director of Operations and Strategy, CPCNH Project Lead
- Carlos Blanco, Ascend Managing Director for Risk Management
- Samuel Golding, Community Choice Partners
- Henry Herndon, Herndon Enterprises

Notes

1. Open meeting and Attendance.
2. Review and accept previous meeting minutes.

<https://docs.google.com/document/d/18AbKQVjH-o5W4IkcaNlxq4jUjr4gNj32/edit>

https://docs.google.com/document/d/12Kc9c3dF2yrBivsq8ka9_qS5BgHBkDWB/edit

https://docs.google.com/document/d/1GD64dCNE_z6PnW36B8aXaDDcFDkz_E1r/edit

<https://docs.google.com/document/d/1BQkDQ-JI5RQinRlxFnLCd37doIhu3aNw/edit>

<https://docs.google.com/document/d/18ApfAwiqzCYb4j7SjBfLFehJWmtd9Qux/edit>

Alternate Jackson Kaspari moved to adopt the meeting minutes as presented. Director Kevin Charette seconded. Without objection, Chair Matt Miller declared the minutes approved by unanimous consent.

3. Solicit volunteers for position of committee Secretary



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No action was taken.

4. Define action items related to Ascend Analytics

Ascend will share a draft Cost Sharing Agreement (and Enterprise Risk Management Policy?) on Monday next week. The Technical Assessment modeling activity is well underway. As data comes in from community data requests to utilities, Ascend will incorporate it into the model.

5. Review and update topics for CPCNH Risk Register

ERMP JPA definition: Enterprise Risk Management Policy means a board policy framework to enable CPCNH to identify, mitigate and manage financial, operational, and strategic risks in a holistic, methodical and transparent manner to support the mission and financial sustainability of CPCNH.

Key questions to answer are: who owns the risk from a “governance” perspective? And, Who owns the risk from an “execution” perspective? Risks are organized in a “register.” CPCNH determines its “appetite” for each risk, or the amount of the risk CPCNH is willing to accept. Each risk has a “Governance Owner” and an “Execution Owner.” A “Risk Matrix” organizes and ranks risks identifying consequence and likelihood.

The Committee reviewed the Risk Register previously created.

Action Items for RMC:

- Potential for more frequent RMC meetings
- Review and refine forthcoming draft of the Enterprise Risk Management Policy
- Update a the list of risks and the Risk Register for the transition/start-up phase. And metrics. And mitigations strategies. Definitions. Owners (governance, execution)

Expedient RMC recommendation of and Board adoption of an Enterprise Risk Management Policy is of critical importance to allow time for each Wave 1 Member CPA’s governing body to subsequently review and adopt the Enterprise Risk Management Policy to subsequently allow for power procurement in time for financially advantageous launch during the April/May 2023 window.

The Policy will include the risk register (at least in part), definitions of distinct risks, mitigation tools, and ownership (both governance and execution). Impact can come later. Tolerance should also be considered.

The Enterprise Risk Management Policy will: (1) Identify the risks associated with the procurement of the power supply; (2) Identify those responsible for administering the various elements of the risk management policy from procurement operations to oversight; (3) Set parameters and methodologies for managing risk associated with procuring and hedging the power supply portfolio.



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10:39, Chair Clifton Below joined the meeting.

Brainstorm of lists of transition state risks:

- Failure to execute or delay in executing service agreements with vendors; effective vendor onboarding; vendor performance
- Interoperability within and across CPCNH and vendor team; Interdependency risk (risk of cascades from one vendor to another; risk of one vendor's performance adversely affecting performance of other vendors)
- Delayed (or non) adoption, submission, approval of EAPs
- Delayed receipt of data from utilities; inaccuracies in data from utilities
- Delayed (or non) adoption of key policies and agreements
- Fully resourcing internal capacity / in-house leadership.
- Swings in energy markets
- Problems securing wholesale counterparties to contract with for supply
- Public and/or (social) media backlash upon launch; lack of public education; failure to inform customers/public
- Utility marketing against Community Power or anti Community Power campaign; unanticipated adverse actions from utilities. Risk of adverse action from Competitive Energy Suppliers.
- Interoperability of technology platforms, systems, and functionality across vendors and CPCNH

List of Risks:

- Opt-out risk
- Community choosing not to participate in CPCNH anymore
- Customers individually deciding to opt-out (and revert to default utility service)
- Individual competitors influencing customers to switch.
- Market price risk
- Flat price and basis
- Market liquidity
- Net revenue risk
- Revenues
- costs
- Counterparty performance risk
- Failure to deliver/take delivery
- Bankruptcy and performance
- Liquidity risk



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- Funding operations
- Collateral margin
- Volumetric risk
- Load forecasting
- Energy delivery risk
- Operational risk
- People
- Systems, data, facilities
- Process and governance
- Regulatory/legislative risk
- Regulatory changes
- Legislative risk
- Reputation risk

6. Other business

Auditing. CPCNH is issuing an RFQ for Accounting Services and will contract with a accounting firm to organize the accounting and lay a foundation for future auditing. It is important to have systems and auditing in place for when there are large volumes of revenue flowing through CPCNH post-launch.

Next Regular RMC Meeting: Wednesday November 2, 9am in Dover. Committee Chair Miller, Director Charette, Alternate Kaspari and Director Devonshire will attend in person.

Ad-hoc Ascend Meeting: Wednesday October 19th at 2pm on draft Enterprise Risk Management Policy

7. Adjourn Meeting

Without objection, Chair Miller adjourned the meeting by unanimous consent.