



**COMMUNITY  
POWER COALITION  
OF NEW HAMPSHIRE**

## RISK MANAGEMENT COMMITTEE – MINUTES

Meeting Type: **Risk Management Committee**  
Meeting Location: **1st Floor Conference Room in Dover City Hall, 288  
Central Ave, Dover NH 03820**  
Meeting Date: **Monday, February 13, 2023**  
Meeting Time: **Noticed for 9PM**

### Committee Members in Attendance:

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

### Committee Members in Absence:

- April Salas, Town of Hanover Director,
- Kimberly Quirk, Town of Enfield Director

### Guests:

- 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 LLC

### Notes

### Agenda

1. Open meeting and Attendance.
2. Approve previous meeting minutes
3. Discuss Energy Portfolio Risk Management business with Ascend Analytics.
4. Attend to other regular Risk Management Committee business.
5. Other business
6. Adjourn Meeting

#### 1. Open meeting and Attendance.

Committee Chair Miller opened the meeting at 09:02. Role call attendance was performed and the attendance is reflected in the notes at the beginning of this document. The physical quorum included Matt Miller, Jackson Kaspari and Kevin Charette.

Three topics were added to the agenda. 1) Carlos Blanco volunteered to introduce the first draft of the Enterprise Risk Management Policy, 2) Peter Kulbacki asked for a discussion on the timelines for future RMC meetings, and 3) Samuel Golding volunteered to give an overview of the new Calpine service agreement.



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### 2. Approve previous meeting minutes.

*Jackson Kaspari moved to accept the previous meeting minutes as written, Kevin Charette seconded the motion. Matt Miller accepted the motion by unanimous consent hearing no objections.*

### 3. Energy Portfolio Risk Management Business.

What is the organization's readiness to green light RMC to perform energy portfolio risk management activities for CPCNH?

Three service agreements require completion before RMC can perform its first electricity purchase plan review and recommendation meeting.

1. Calpine load serving entity agreement
2. River City Bank lock box agreement
3. Ascend Analytics revised service agreement

The member board needs to review and approve those service agreements before they can be executed, and before RMC can perform its first electricity purchase plan review and recommendation meeting.

Wave 1 communities need to sign their member services agreements, which is committing them to purchase electricity from CPCNH. 8 communities have already signed their member services agreement.

- Authorized officers from Wave 1 communities that have signed the member services agreement have the right to attend the RMC purchase plan review and recommendation meeting so that they may verbally decline to participate in the procurement program. They then need to follow up their decision to decline promptly with written notice.
- Absent any additional instruction, the cumulative load from Member CPAs that have signed member service agreements will be used to define the volume of electricity contracts recommended for procurement.

Accounting services are still not solved, and must be in place by the time that CPCNH begins serving customers (April or May time frame).

- Lack of accounting services is an operational risk.
- This agreement is not required for RMC to perform its electricity procurement plan review and recommendation.

There are no agreements between NH utilities and CPCNH at this time, which is an obstacle for proper data exchange required to enroll customers, notify customers and to operate accurately on a monthly basis.

- These agreements are not required for RMC to perform its electricity procurement plan review and recommendation.



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- There are some avenues being pursued by Clifton Below and Samuel Golding. The lack of utility agreements is an operational risk.

Scott Wigglesworth provided a brief overview of the NH electricity market.

1. current July on-peak forward prices are around \$65/MWh
2. April, May and June forward prices are also near recent lows.
3. Scott confirms that the market remains very favorable for CPCNH to go to market supporting an April/May launch. Ideally, CPCNH will be able to go to market within the next 10 business days. There is plenty of headroom for a 7.5% discount to Eversource plus healthy financial reserve contributions.

Additional discussion points related to electricity procurement plans.

1. Clifton Below introduced a complexity for large C&I customers. Those customers are on a monthly or possibly shorter time period fixed rate. Thus, CPCNH will not have as great headspace compared to utilities that are already offering similar short period fixed rate products. So, to minimize risk to CPCNH, we could offer them a pass through rate.
2. All electricity load from all rate classes will be bundled together for the Ascend Analytics hedge recommendations, i.e., hedge recommendations will be rate class agnostic. The resolution of different rate class Rates will be performed during a subsequent rate setting meeting.
3. The initial retail rate offered will likely be identical for all utility districts and planned to be 7.5% lower than Eversource., Rates for different utility districts and even different CPA may decouple from this initial rate in the future as CPCNH organization matures.
4. Utilities are unable or unwilling to comply with administrative rules for Net Metering customers. This fact is a frustration for CPCNH and prevents CPCNH to serve time-of-use rate customers. CPCNH will be advising time-of-use customers to opt-out at the current time until this issue is resolved.
5. Members in Group Net Metering (but not the Host) are encouraged to join the CPA. Possibly Net Meter 1.0 customers will not be well served because utilities have not yet solved how to provide to CPCNH the cumulative electricity credits accumulated on a per customer basis.

#### 4. Calpine service agreement status

Samuel Golding provided an update and overview of the Calpine service agreement

- a) CPCNH is structuring the agreement to launch with Calpine as the supplier for the period of time until the utility agreements are completed and then will transition to CPCNH as supplier. All elements of the JPA and CPCNH Policies are being honored. Community Power may still be able to be named as



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the electricity supplier prior to CPCNH becoming the supplier (with a possible exception to that depending on how Calpine is able to establish a secure “lockbox-like” account).


- b) The new service agreement draft has retained all CPCNH features, policies and procedures, but will transfer all customers to Calpine as their Competitive Electricity Supplier. Calpine will honor all CPCNH rates and power contracts. CPCNH will be able to enter into bilateral agreements with other energy suppliers.
- c) Calpine Community Power LLC is being established as a new legal entity to supply CPCNH exclusively.
- d) Calpine is increasing the credit support to \$25 million, but keeping the same financial terms and conditions as Ascend Analytics, with the exception that the financial fees will be more directly tied to causation principles.
- e) It was stated that because of this utility agreement wrinkle, the initial launch of CPCNH using Calpine as a CES will look more like a Broker Model than an Energy Portfolio Model.
- f) Samuel expects to circulate a draft of the Calpine Service agreement to CPCNH members by Feb 14 evening if possible. DWGP is reviewing the service agreement February 13.
- g) Nick Devonshire requested that a legal consultation be scheduled so that the Calpine service agreement can be summarized to CPCNH members and permit question and answers.
- h) Extended discussion about Calpine being a Load Serving Entity for CPCNH customers and how that affects customer payments and the bank account mechanics for receiving payments.
- i) Customer payments would directly be deposited into Calpine accounts, which will impact how third parties view CPCNH credit worthiness.
- j) Calpine will attempt to make their bank account behave like a simplified lock box and sweep deposits into the CPCNH bank account.
- k) Customer electricity bills will still show Community Power and CPCNH toll free number for customer support.

### 5. **Enterprise Risk Management Policy**

Carlos Blanco provided an overview of a first draft of the Enterprise Risk Management Policy.

- a) The policy is an umbrella policy for all risks and encompasses energy risks.
- b) The document outlines broad risk management responsibilities for all categories of risks.
- c) It provides a high level description of the different risk categories and point to the related and more detailed risk policy documents for each risk category.
- d) Outlines enterprise risk reporting requirements.

### 6. **Timeline for next meetings**

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A discussion occurred debating the possibilities of two options for scheduling the next RMC meeting for energy procurement.

- a) The prerequisite for reviewing and recommending a power purchase plan is for the Calpine, RCB service agreements and Ascend Analytics revised service agreement to be completed.
- b) Additionally, it is recommended that Authorized Officials from the Wave 1 CPAs be present in a power purchase plan review meeting in order to have the opportunity to opt out of CPCNH (Calpine) supplying their power. The Authorized Official is confirming their commitment to CPCNH (Calpine) provided power if they are silent during that meeting or absent from that meeting.
- c) Note: The Authorized Officer may delegate their role to someone else by writing their intention to the CPCNH Member Board Chair and copying the RMC Chair.
- d) We discussed scheduling an RMC meeting at 13:00 on Feb 16, immediately following the CPCNH member board meeting to take advantage of the possibility that the Member Board will approve the Calpine Service agreement during that meeting.
- e) Subsequently, it was learned that the Calpine service agreement will not be ready for the Thursday Feb 16 Member Board meeting. So, the RMC will schedule the next RMC meeting date once we get clarity on the status of the Calpine, RCB and Ascend Analytics service agreements.
- f) In any case, the rate setting meeting will be conducted in a joint meeting between the Finance Committee and the RMC within about one week of the RMC procurement plan meeting.

## 7. Adjourn Meeting

*Chair Miller declared the meeting adjourned at 11:20, hearing no objections to a motion to adjourn the meeting.*

### **Action Items:**

1. The RMC needs to populate its risk register and begin reviewing the CPCNH risk register at each monthly RMC meeting.