 <p>COMMUNITY POWER COALITION OF NEW HAMPSHIRE</p>	RISK MANAGEMENT COMMITTEE – DRAFT MINUTES	
	Meeting Type:	Risk Management Committee
	Meeting Location:	Council Chambers 51 N. Park St., Lebanon NH 03766
	Meeting Date:	Tuesday June 27, 2023
	Meeting Time:	Noticed for 1:00 PM

Risk 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)
- Michael Prange, Town of Shelburne Representative
- Joseph Lamattina, Town of Newmarket Director

Committee Members in Absence:

- Nick Devonshire, Town of Exeter Director
- Doria Brown, City of Nashua Director

Finance Committee Members in Attendance:

- Finance Committee Chair Clyde Carson, Warner Director
- Kim Quirk, Enfield Director
- Terry Clark, Cheshire County Director
- Paul Looney, Walpole Director
- Andrea Hodson, Harrisville Director
- Lisa Sweet, Rye Director
- Henry Noel, Berlin Director
- Kathlene Kelly, Randolph Director

Committee Members in Absence:

- April Salas, Hanover Director

Other CPCNH attendees:


- Brian Callnan, CPCNH CEO
- Howard Moffett, Canterbury Director
- Deb Chisolm, Nashua
- Bill Baber, Dover
- Jo-Ellen Courtney, Enfield
- Evan Oxenham, Plainfield Director

Authorized Officers:

- NA

Guests:

- Ascend Analytics: Dev Maganty
- Community Choice Partners: Samuel Golding

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- Herndon Enterprises: Henry Herndon
- Michael Postar, DWGP
- Calpine: Jhelum Belgaci

NOTES


At 1:02 pm, Risk Management Committee Chair Matt Miller called the meeting to order, took roll call, and acknowledged Finance Committee Chair Clyde Carson who took roll call for Finance Committee. Quorums of both committees were present.

Risk Management Committee Chair Miller described the agenda as:

1. Roll call attendance (Chair Miller)
2. CPCNH presentation on utility default service rates for the August 2023 through January 2024 period (CEO Callnan)
3. Review of process for CPA rate selection (CEO Callnan)
4. CPCNH energy service rate recommendations (CEO Callnan)
5. Public comment and input on changes to default supply rates.
6. RMC and Finance Committee deliberation with the CEO on recommended rates for CPCNH.
7. Other business
8. Adjournment

Brian Callnan presented a memo outlining the results of the just completed utility energy procurement and rate setting for the period of August 1, 2023 to January 31, 2024. Briefly, residential customers will experience electricity supply rates of \$0.13257/KWh, \$0.12582/kWh, and \$0.12242/kWh for Unitil, Eversource, and Liberty respectively.

Next, CEO Callnan presented a timeline for rate setting for the upcoming 6-month period. That process is illustrated in the Figure 1.

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Process for CPA Rate Selection

June 20, 2023



June 20

CEO sends each Principal Executive Officer & Member Rep notice of:

- 1) 6/30 Board Meeting where changes to default rates will be considered and
- 2) Default & optional rate selection *changes* by member representative are required prior to end of 6/30 meeting

June 30

CPCNH Board deliberates and acts on rate recommendations

Member Authorized Officers / Governing Bodies have until end of meeting to select default + optional rate products
No Member response = "Granite Basic" Default product

August 1

New rates go into effect
Seen on Sept. bills

June 27


CEO recommends rates and FinCom & RMC deliberate and vote to recommend rates to CPCNH Board

July 2








CEO sends Principal Executive Officers of each Member notice of approved default rate change
Rates posted to DOE & CPCNH websites

Figure 1, process for CPA rate selection for the period August 1, 2023 to January 31, 2024.

CEO Callnan then reviewed his rate recommendations, which are summarized in Figures 2 and 3. It was noted that for this upcoming 6-month period, 75% of the headroom was applied towards electricity supply savings for customers and 25% of the headroom was applied to build financial reserves.


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ELECTRICITY CHOICES & SAVINGS
Fixed supply rates effective August 1, 2023 through January 31, 2024

Renewable Content	Power Options	Rate (¢/kWh)	Estimated Cost*	Eversource Savings**	Liberty Savings**	Unitil Savings**
	Clean 100	15.2¢	± \$91 / month	Clean Premium	Clean Premium	Clean Premium
	Clean 50	12.3¢	± \$74 / month	± \$6	Clean Premium	± \$36
	Granite Plus	11.3¢	± \$68 / month	± \$42	± \$30	± \$72
	Granite Basic (Default Service Option)	10.9¢	± \$65 / month	± \$60	± \$48	± \$90
	Eversource	12.582¢	± \$75 / month			
	Liberty	12.242¢	± \$73 / month			
	Unitil	13.257¢	± \$80 / month			


* Based on usage of 600 kWh per month
** Over the six month fall rate period

Figure 2. Fixed rate offerings for Residential Customer class.

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Monthly Variable Granite Basic							
CPCNH	AUG	SEP	OCT	NOV	DEC	JAN	Base
Eversource	\$0.077	\$0.063	\$0.062	\$0.089	\$0.148	\$0.190	\$0.109
Liberty	\$0.069	\$0.046	\$0.043	\$0.118	\$0.182	\$0.215	\$0.109
Unitil Var. Res.	\$0.076	\$0.059	\$0.055	\$0.081	\$0.158	\$0.206	\$0.109
Unitil Var. Com	\$0.072	\$0.056	\$0.054	\$0.088	\$0.164	\$0.218	\$0.109
Utility	AUG	SEP	OCT	NOV	DEC	JAN	Base
Eversource	\$0.118	\$0.097	\$0.095	\$0.136	\$0.227	\$0.292	\$0.168
Liberty	\$0.072	\$0.048	\$0.044	\$0.123	\$0.189	\$0.223	\$0.113
Unitil Var. Res.	\$0.092	\$0.072	\$0.067	\$0.099	\$0.192	\$0.250	\$0.133
Unitil Var. Com	\$0.084	\$0.066	\$0.064	\$0.103	\$0.193	\$0.256	\$0.128
Eversource %	-35%	-35%	-35%	-35%	-35%	-35%	-35%
Liberty %	-4%	-4%	-3%	-4%	-4%	-4%	-4%
Unitil Var. Res. %	-17%	-18%	-18%	-18%	-18%	-18%	-18%
Unitil Var. Com %	-15%	-16%	-15%	-15%	-15%	-15%	-15%
Monthly Variable Granite Plus							
CPCNH	AUG	SEP	OCT	NOV	DEC	JAN	Base
Eversource	\$0.080	\$0.066	\$0.064	\$0.092	\$0.153	\$0.197	\$0.113
Liberty	\$0.072	\$0.048	\$0.044	\$0.123	\$0.189	\$0.223	\$0.113
Unitil Var. Res.	\$0.078	\$0.051	\$0.057	\$0.084	\$0.163	\$0.213	\$0.113
Unitil Var. Com	\$0.074	\$0.059	\$0.056	\$0.091	\$0.170	\$0.226	\$0.113
Eversource %	-32%	-32%	-33%	-32%	-33%	-33%	-33%
Liberty %	0%	0%	-1%	0%	0%	0%	0%
Unitil Var. Res. %	-15%	-15%	-15%	-15%	-15%	-15%	-15%
Unitil Var. Com %	-12%	-11%	-12%	-12%	-12%	-12%	-12%
Monthly Variable Clean 50							
CPCNH	AUG	SEP	OCT	NOV	DEC	JAN	Base
Eversource	\$0.087	\$0.071	\$0.070	\$0.100	\$0.167	\$0.215	\$0.123
Liberty	\$0.078	\$0.052	\$0.048	\$0.134	\$0.205	\$0.242	\$0.123
Unitil Var. Res.	\$0.085	\$0.067	\$0.062	\$0.092	\$0.178	\$0.232	\$0.123
Unitil Var. Com	\$0.081	\$0.064	\$0.061	\$0.099	\$0.185	\$0.246	\$0.123
Eversource %	-27%	-27%	-26%	-26%	-26%	-26%	-27%
Liberty %	8%	8%	8%	9%	9%	9%	9%
Unitil Var. Res. %	-8%	-7%	-7%	-7%	-7%	-7%	-7%
Unitil Var. Com %	-4%	-3%	-4%	-4%	-4%	-4%	-4%
Monthly Variable Clean 100							
CPCNH	AUG	SEP	OCT	NOV	DEC	JAN	Base
Eversource	\$0.107	\$0.088	\$0.086	\$0.123	\$0.206	\$0.265	\$0.152
Liberty	\$0.097	\$0.064	\$0.060	\$0.165	\$0.254	\$0.299	\$0.152
Unitil	\$0.105	\$0.083	\$0.077	\$0.113	\$0.220	\$0.287	\$0.152
Unitil	\$0.100	\$0.079	\$0.076	\$0.122	\$0.229	\$0.304	\$0.152
Eversource %	-10%	-10%	-9%	-10%	-9%	-9%	-9%
Liberty %	35%	33%	35%	34%	34%	34%	34%
Unitil Var. Res. %	14%	15%	15%	14%	15%	15%	15%
Unitil Var. Com %	19%	19%	19%	19%	19%	19%	19%

Figure 3. Monthly variable rates for customers on variable rate plans (mostly medium commercial and industrial customers).

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The Financial Reserve is estimated to grow by \$1.8 million (to \$11.8 million) over the upcoming 6-month rate period ending January 31, 2024.

CEO Callnan raised the possibility of CPCNH not offering monthly variable rates in the future, and instead offering a 6-mo fixed term offering that is equivalent to the weighted average of each month’s rate. This topic of whether to offer monthly variable rates or not will be discussed in a future Risk Management Committee meeting.

A discussion of the budget variance indicated that the CPCNH operating expense line was about \$1 million higher than expected. The majority of that extra expense was due to Champion load serving entity expenses \$625K higher than estimated, and \$275K higher uncollected revenues than expected.


The meeting was opened for public comments at around 2:30. Three people raised questions.

1. Patrick Luko of Hanover asked how CPCNH is procuring its RECs and would like more easily accessible information about CPCNH RECs.
2. Howard Moffett of Canterbury asked what companies are providing power that will supply CPCNH residential customers for the period of August 2023 to January 2024.
3. Peter Gagyi of Pembroke observed that the fact financial reserves are growing significantly faster than plan, indicating that customers could be receiving a greater discount (and consequently growing the reserves at the planned pace). He also suggested that some hardcopies of the ratesetting meeting information packet be made available for public participants physically attending the meeting.

Deliberation:

The RMC and FC deliberated on CEO Callnans proposed rates from approximately 2:40 to 3:15. A few of the key points are listed here:

- 1) general consensus that the fixed Residential rates shown in Figure 2 (extracted from the June 27, 2023 rate recommendation memo) are good and strike a good balance between discount to the utilities default rates and financial reserve growth.
- 2) discussion about how much of the headroom is applied to the financial reserve versus discount to utility rate. CEO Callnan clarified that he will be making a recommendation based on achieving revenues to cover total CPCNH operating costs and to meet financial reserve growth plans. Thus, the ratio of financial reserve contributions to discount to utility default rates will vary.
- 3) Agreement that the monthly variable rates outlined in Figure 3 (also extracted from the June 27, 2023 rate recommendation memo) are appropriate as presented—reached after significant discussion about whether a fixed rate offering is more appropriate and some discussion about Liberty’s large overcollection “rebate” that distorts their approved rates for the upcoming 6-month period.
- 4) Created an action item for the Risk Management Committee to delve deeper into the rate setting procedures in upcoming regularly occurring monthly meetings.

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Treasurer Quirk moved that the Finance Committee endorse the Residential fixed rates and the monthly variable rates as presented by CEO Brian Callnan’s June 27, 2023 memo. Finance Committee Chair Carson seconded.

That motion was approved unanimously by Finance Committee roll call vote 8-0.

Director Kulbacki moved that the Risk Management Committee endorse the Residential fixed rates and the monthly variable rates as presented by CEO Brian Callnan’s June 27, 2023 memo. Director Charette seconded.

That motion was approved unanimously by Risk Management Committee roll call vote 7-0.

The Authorized Officials of 6 CPAs communicated their choice for default electricity supply product for their residential customers.

- Harrisville–Andrea Hodson: default electricity supply is Granite Basic and offer Granite Plus, Clean 50 and Clean 100 as options.
- Plainfield–Evan Oxenham: default electricity supply is Granite Plus and offer Granite Basic, Clean 50 and Clean 100 as options.
- Cheshire County–Terry Clark: default electricity supply is Granite Basic and offer Granite Plus, Clean 50 and Clean 100 as options.
- Walpole–Paul Looney: default electricity supply is Granite Basic and offer Granite Plus, Clean 50 and Clean 100 as options.
- Canterbury–Howard Moffett: Granite Basic is default, Granite Plus, Clean 50 and Clean 100 as options for individual customers to opt-up.
- Lebanon–Clifton Below: default electricity supply is Granite Basic and offer Granite Plus, Clean 50 and Clean 100 as options.

Treasurer Quirk moved to adjourn the Joint Meeting of Risk Management and Finance Committees meeting. Risk Management Committee Chair Miller, and Finance Committee Chair Carson, hearing no objection, declared the meetings adjourned at 3:25pm.