

# Cheshire Community Power Forum

## COMMUNITY POWER COALITION OF NEW HAMPSHIRE

May 24, 2023 | 2pm | County Hall, 12 Court Street, Keene, NH



FOR COMMUNITIES, BY COMMUNITIES.



**COMMUNITY  
POWER COALITION  
OF NEW HAMPSHIRE**



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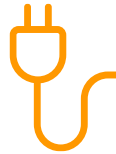
⚡ Nonprofit Power Agency | Accountable to Communities | Accrues Net Revenues as Community Financial Reserves | Innovative Project & Program Development

## 4 | Questions & Discussion (Reference Slides) (26-35)

⚡ Customer Notification & Enrollment | Customer Service | Term & Termination

# What is Community Power?

New Hampshire cities, towns, and counties can become **default electricity provider** for their residents + businesses and provide related services.



Pooled Purchasing Power  
for **Energy Supply**

*Economies of Scale*

Utility Company  
**Delivers Power**

*Grid Reliability*

Communities Benefit from  
**Value Added Services & Programs**

*Lower Rates & Product Choices*

[RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities & Counties](#)

Customers may switch back to utility default supply or take service from a Competitive Supplier

Community Power programs must be paid for out of revenues received from participating customers



# CPCNH History

## ⚡ Phase 1: Create Community Power Act (RSA 53-E); Research National Best Practices; Design Joint Powers Agency

- CPCNH Board Chair Clifton Below is the primary author of legislation creating workable Community Power market for NH (RSA 53-E)
- After championing 2019 legislation, community leaders from Lebanon, Hanover, Nashua, & **Cheshire County** enlisted consulting/legal support to assess national best practices in other states and developed Joint Powers Agreement
- Jan. 2021, Joint Powers Agreement approved by NH Attorney General

## ⚡ Phase 2: Organize Statewide; Protect Local Authorities at State House

- 2021 bill requested by Eversource would have dismantled Community Power
- Coalition leaders organized statewide grassroots public advocacy campaign and led redrafting process with House ST&E Chair to arrive at favorable compromise

## ⚡ Phase 3: Membership Expansion & Incorporation

- Incorporated Oct. 1, 2021, with 13 founding Municipalities + **Cheshire**

# CPCNH History

## ⚡ Phase 4: Start-Up; Competitive RFP for Services and Credit Support

- 2022, CPCNH conducts RFI & RFP; comparative evaluation of numerous nationally competitive firms; vets and selects professional services team
- CPCNH obtains ~\$900,000 start-up funding from NH Charitable Foundation and vendor partners + millions of \$ in credit support to finance power procurement

## ⚡ Phase 5: Write Regulatory Rules Adopted by NH Public Utilities Commission

- CPCNH leaders led regulatory rule drafting process resulting in Q4 2022 adoption of PUC 2200 rules governing Community Power

## ⚡ Phase 6: Launch Service, Hire Chief Executive Officer, Adopt Operating Budget

- 12 CPCNH Members launch Community Power Spring 2023 (~75,000 customers)
- Brian Callnan hired as first CEO
- CPCNH adopted CY 2023 budget of ~\$51M Revenue, ~\$39M Expenses, ~\$12M Financial Reserves (controlled by Member communities)

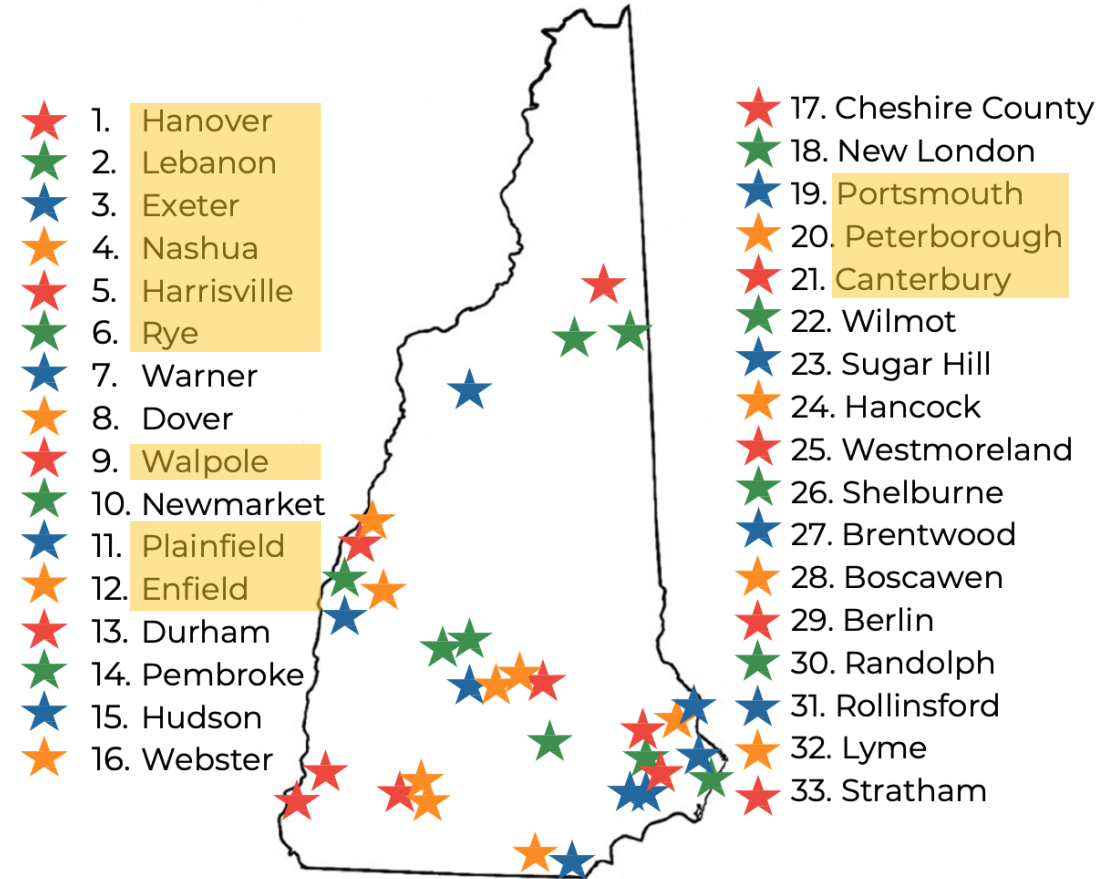
# Community Power Coalition of New Hampshire

Community-governed power supplier – launching 12 Community Power programs Spring 2023

## Our Mission

To foster resilient New Hampshire communities by empowering them to realize their energy goals.

- ⚡ Nonprofit Joint Power Agency formed 10/1/21
- ⚡ **33 Members | 23% of NH population**
- ⚡ **12 of 33 Members launching 2023**
  - ~75,000 customers
  - ~400,000 MWh in 2023 (APR – DEC)
  - ~\$51 million 2023 revenues (controlled by communities)
- ⚡ Remaining & new Members to launch 2024+



**All New Hampshire cities, towns, and counties are invited to join the Coalition**

# Customer Rates and Optional Products + Example Savings



3-Month Bill Savings

**\$2,613,377**

3-Month Reserves

**\$4,511,160**

Default Customers

**36,663**

Annual MWh

**312,472**

Default Power: **Granite Basic** — 23.4% Renewable

**Savings: \$26 / month / customer**

## Residential, General Service, & Outdoor Lighting

Fixed supply rates effective through July 31, 2023

Renewable Content	Power Options	Rate (¢/kWh)	Estimated Cost*
23.4%	<b>Granite Basic</b> (Default Power Option)	<b>15.8¢</b>	<b>± \$95 / month</b>
33%	<b>Granite Plus</b>	<b>16.2¢</b>	<b>± \$97 / month</b>
50%	<b>Clean 50</b>	<b>16.9¢</b>	<b>± \$101 / month</b>
100%	<b>Clean 100</b>	<b>19.1¢</b>	<b>± \$115 / month</b>
23.4%	<b>Eversource</b>	<b>20.2¢</b>	<b>± \$121 / month</b>

\*Based on usage of 600 kWh per month

## CPCNH Board Draft Budget - 2023

Cash Funds Budget with Actual and Projected Accrued Revenue & Expenses

*Projected = indicative estimates*

	BUDGET TOTALS		
	CY 2021	CY 2022	CY 2023
<b>FUND BALANCE</b> (End of Period)	\$35,005	\$36,684	<b>\$12,419,786</b>
<b>REVENUES</b>	\$35,005	\$265,975	<b>\$51,263,229</b>
Donations	\$35,005	\$35,975	\$600
Grant - NHCF		\$80,000	\$0
Calpine Startup Funding		\$150,000	\$600,000
Customer Revenues, P50 400MWh in 2023			\$55,246,369
Hedging			-\$4,583,740
<b>EXPENSES</b>	\$0	\$264,296	<b>\$38,880,127</b>
<b>ENERGY OPERATIONAL COSTS:</b>			
ISO Settlement			\$27,271,255
Non-Energy Costs			\$7,868,257
Utility Fees			\$38,487
Ascend			\$784,026
Calpine			\$549,790
LSE			\$33,750
DEFERRED COMP SCHEDULE			\$485,905

# CPCNH Budget

Adopted 4/21/23

← Net revenues from power supply sales capitalize community reserve funds.

- ~ \$12.4 Million forecasted for 2023
- ~ Reserves (1) protect customers from winter/summer price spikes; (2) enable financing of energy projects

## Technical Assessment Priorities:

1. Expansion of CPCNH Membership
2. Develop local projects

These two priorities “generate significant surplus revenues and benefits for participating customers, communities and the Joint Powers Agency.”

Join us!





Clifton Below  
Lebanon  
*Assistant Mayor*



Kim Quirk  
Enfield  
*Energy Cmte*



Kevin Charette  
Portsmouth  
*Energy Advisory Cmte*



Evan Oxenham  
Plainfield  
*Energy Cmte.*

# Board of Directors:

## *Community Governance*

*Local elected officials, former utility executives, energy finance & development professionals, municipal managers, teachers, & much more.*



Kathleen Kelley  
Randolph  
*AVEC*



Clyde Carson  
Warner  
*Finance Director*



Andrea Hodson  
Harrisville  
*Select Board*



Lisa Sweet  
Rye  
*Energy Cmte.*



Paul Looney  
Walpole  
*Community Power Cmte.*



Joseph Lamattina  
Newmarket  
*Town Council*



Jackson Kaspari  
Dover  
*Resilience Manager*



April Salas  
Hanover  
*Sustainability Dir.*



Matt Miller  
Pembroke  
*Energy Cmte*



Bruce Tucker  
Peterborough  
*Energy Cmte.*



Doria Brown  
Nashua  
*Energy Manager*



Terry Clark  
Cheshire County  
*Commissioner*



Jamie Hess  
New London  
*Energy Cmte.*



Nick Devonshire  
Exeter  
*Energy Cmte.*



David Hemenway  
Webster  
*Select Board*



Steve Holmgren  
Durham  
*Energy Cmte.*

# Chief Executive Officer: Brian Callnan

- ⚡ Mr. Callnan was selected as most uniquely qualified candidate from **nationally competitive search**
- ⚡ Former Vice President of Power Resources & Access at NH Electric Co-op
  - Managed portfolio of wholesale power contracts to consistently deliver lower rates than investor-owned utilities
  - Led Co-op's “**virtual power plants**” program, harnessing **home batteries** & **electric vehicles** to lower customer power costs
- ⚡ Previously Director of Power Supply and Transmission at Vermont Public Power Supply Authority



# Operated by Expert Contractors

Months of competitive solicitations assembled a team of industry-leading **advisors** and professional service providers experienced in launching CPAs to **operate our power agency** and **provide support services**:

Energy Hedging, Planning & Portfolio Risk Management



ISO-NE Market Participant + Retail Customer Services



Member Services & Public Engagement



General Counsel & Legal Services



Start-up Consultants



Revenue Controls & Accounting Services





# CHESHIRE COMMUNITY POWER Cheshire County NH

## Streamlined Town Access to Community Power Benefits



# Typical Municipal/County Process

Join the Coalition → Bring a Plan to Town Meeting → Launch!

- ❑ **1. Join Coalition “Joint Powers Agency” – Governed by Members**
  - ❑ Adopt Joint Powers Agreement
- ❑ **2. Resources for “Electric Aggregation Plan” development**
  - ❑ Develop EAP; hold public hearings; Town Meeting Approval;
  - ❑ Submit EAP to Public Utilities Commission for state approval
- ❑ **3. Launch Community Power!**
  - ❑ Contract for services for power supply procurement and management, data and billing, and customer service, etc.
  - ❑ Notice customers and launch program

**Typical municipal/county model is multi-stepped and involved.**

# Cheshire Shoulders Contracting Effort for Participating Towns

⚡ **Joint Powers Agreement**

⚡ **Electric Aggregation Plan**

⚡ **Cost Sharing Agreement (CSA)**

⚡ **Member Services Contract for Complete Service Bundle (CSB)**

⚡ **Adopts CPCNH Policies for:**

- Energy Portfolio Risk Management
- Retail Rates
- Financial Reserves
- Data Security and Privacy

CPCNH Members adopt all agreements, ensuring good governance and accountability to local interests.

RSA 53-E and CPCNH enable Cheshire County to spread full benefits of Membership to participating towns

# Streamlined County Model for Cheshire Towns

Join Cheshire Community Power → Launch!

- ❑ **1. Select Board vote to Join Cheshire Community Power**
  - ❑ Appoint representative to Governance Council
- ❑ **2. Launch Community Power!**
  - ❑ Launch of service and benefits for customers with 45 to 90-days advanced notice to utility companies

# Cheshire EAP Attachment 9

## Process to Join Cheshire Community Power

- ⚡ Any municipality within the county may, by majority vote of their governing body pursuant to RSA 53-E:6, request to join Cheshire Community Power by adopting and submitting the resolution provided below to the County Commissioners for their review and approval:
  - *Resolved, that we hereby commit the [Town/City] of \_\_\_\_\_ to join Cheshire Community Power to provide default supply service on an opt-out basis to retail electricity customers within the [Town/City]'s boundaries, pursuant to RSA 53-E:6(I), understanding that the [Town/City] may appoint a representative and alternate to the Cheshire Community Power Governance Council to support joint oversight of the program, and continuing hereafter, or until such time as the [Town/City] elects to form its own Community Power Aggregation program, as provided for in and subject to the terms of the County's Electric Aggregation Plan, inclusive of the requirements and considerations for municipalities afforded therein under Attachment 10: Cheshire Community Power Governance Council, as amended from time to time hereafter.*



# Cheshire EAP Attachment 10

## Cheshire Community Power Governance Council

### ⚡ Joining towns appoint voting representation to **Governance Council**

- Establishes transparent, participatory, flexible decision-making structure for mutual advantage of the participating municipalities and the County.

### ⚡ **Governance Council** duties and function:

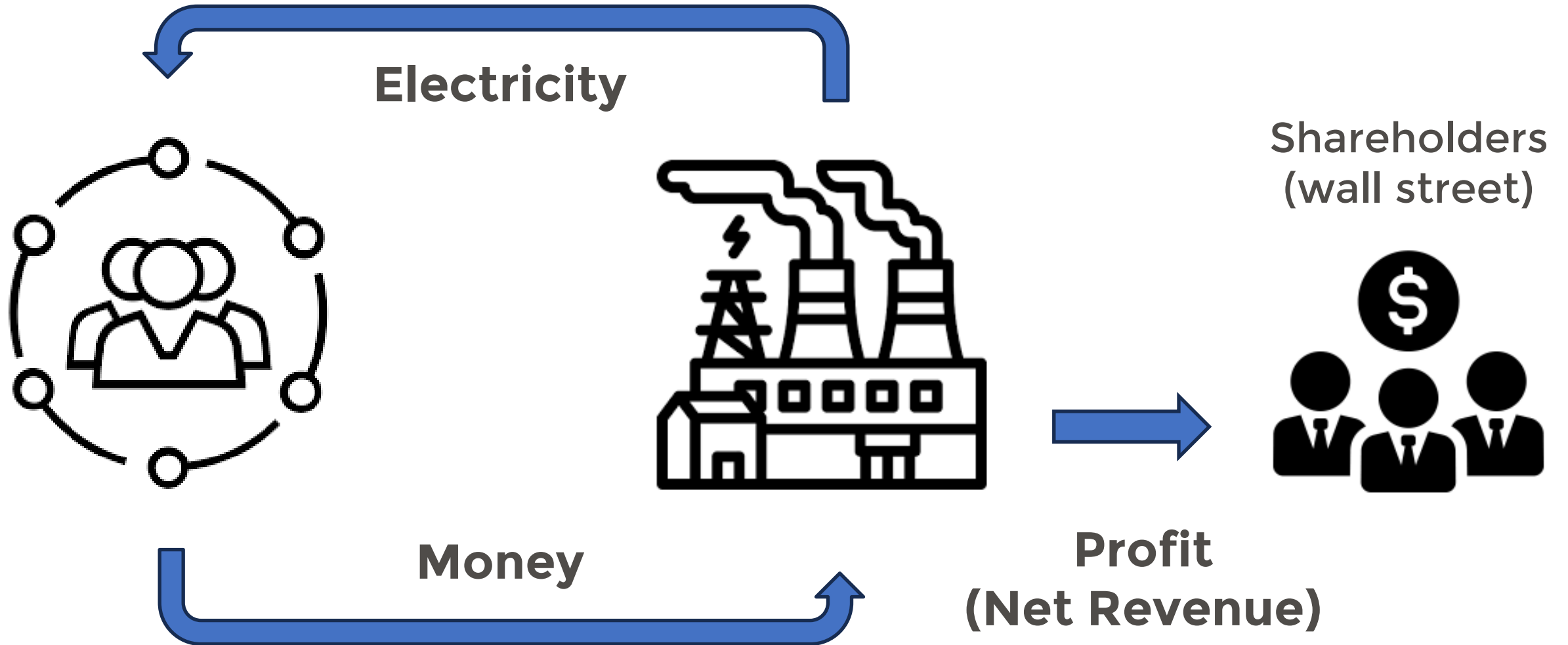
- Ensure engaged and informed governing bodies of participating communities
- Encourage and support expansion of program to interested communities
- Designating individuals for the County Commissioners to appoint as the representatives and "Authorized Officer" to CPCNH
- Authorizing individuals to serve on committees of CPCNH on behalf of the program
- Recommending amendments to the Electric Aggregation Plan for consideration by the County Commissioners
- Approving the withdrawal of municipalities from the program that have subsequently elected to implement their own Community Power Program
- Assuming additional duties at the Council's discretion to develop and enable voluntary, cost effective, and innovative solutions to local needs with careful consideration of conditions and opportunities across the County pursuant to this Electric Aggregation Plan

# How is CPCNH Different From Brokers?

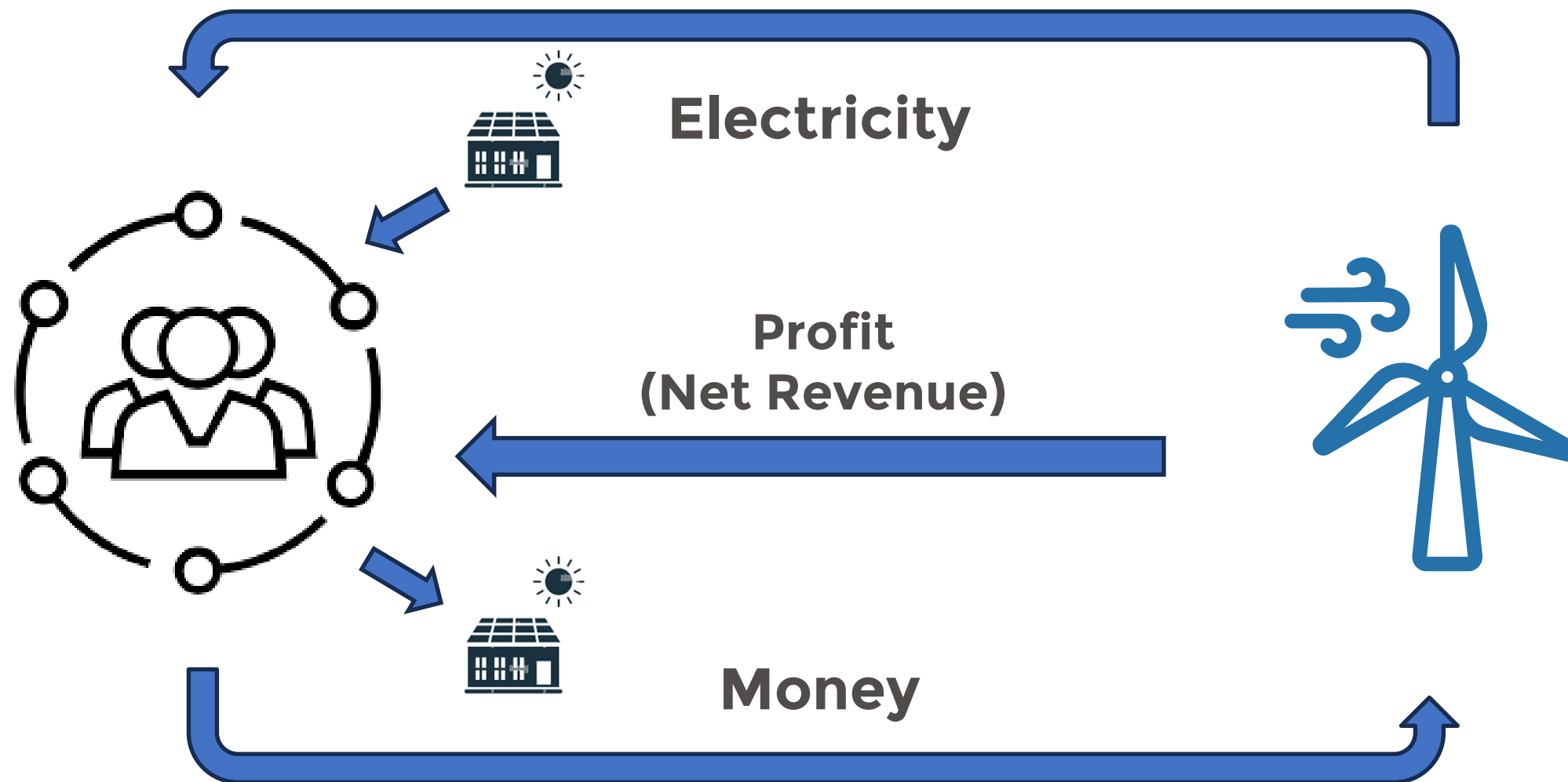
Nonprofit Power Agency, Accountable to Communities  
Accrues Net Revenues as Community Financial Reserves  
Innovative Project & Program Development



# Legacy & Broker Model of Electricity Cashflow



# CPCNH Community Power Model of Electricity Cashflow





# Local Control, Rate Setting, Financial Reserves

## RATES

- ⚡ CPCNH Board of Directors sets rates, balancing: (1) short-term **customer savings** with; (2) **financial reserve contributions** for long-term stability and benefit
- ⚡ Cheshire selects **default + optional** products available to customers
- ⚡ Option for **Cheshire CP** to set “Discretionary Reserve Adder”
  - Financial Reserve Policy, p. 26: “*Members may use such Excess and Discretionary Reserves to invest in developing new local energy projects, or to fund programs benefiting their customers specifically, or for other uses as determined solely by each individual Member.*”

## PROJECTS

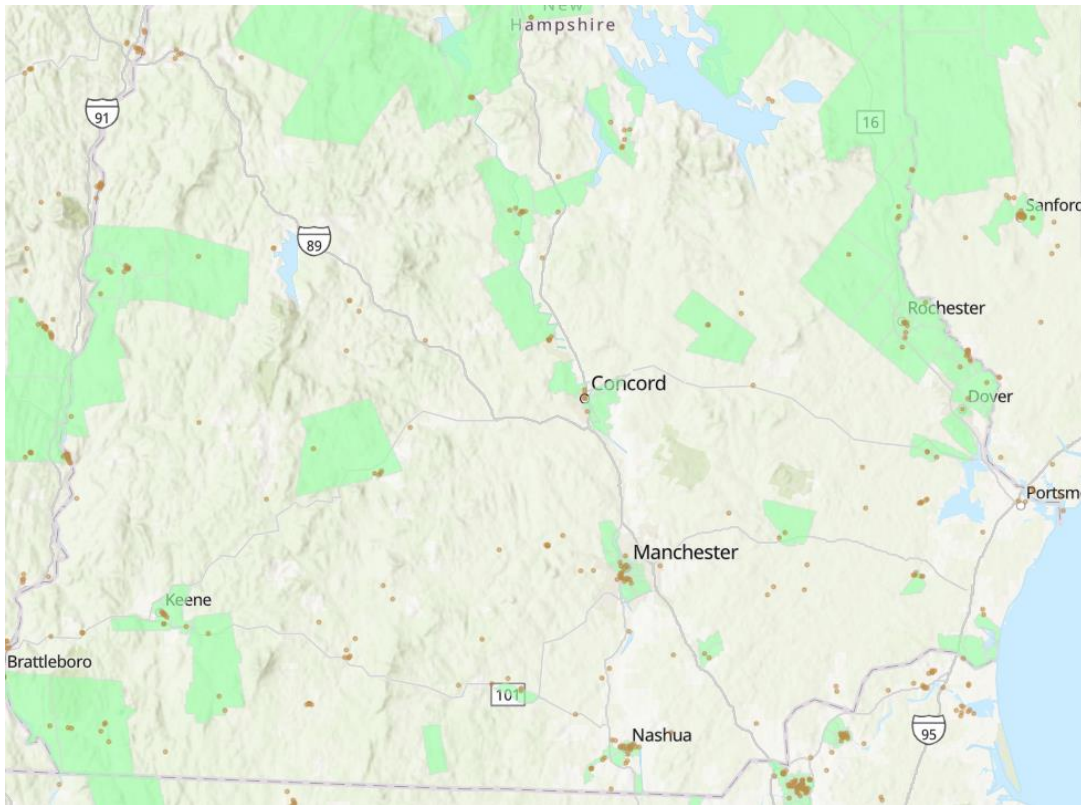
- ⚡ Option for **Cheshire Governance Council** to approve participation in “Projects”
  - E.g., power purchase agreement from local power generator
  - All benefits/costs of “Projects” confined to Members who voluntarily elect to participate

# 10. Option to Participate in Projects

- ⚡ CPCNH Technical Assessment finds development of local projects can result in **30%+ less cost** than purchasing market power (~\$2.8 million in revenue for 8 MW)

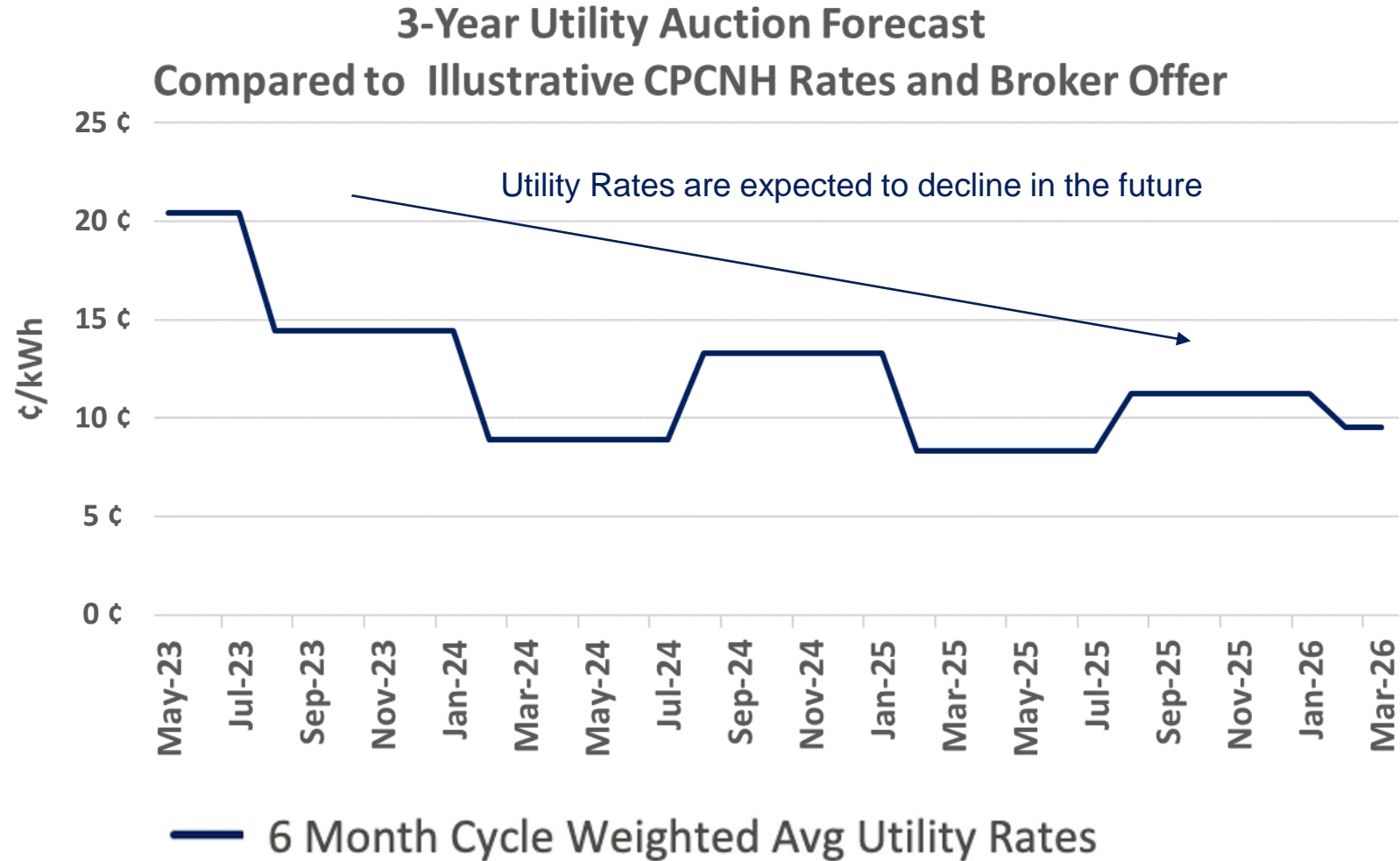
**Low Income and Brownfield Sites**  
(Eligible for additional incentives under IRA)

**Strategic objective: empower Members & legislature to lift 8 MW cap & develop the local energy market across NH!**



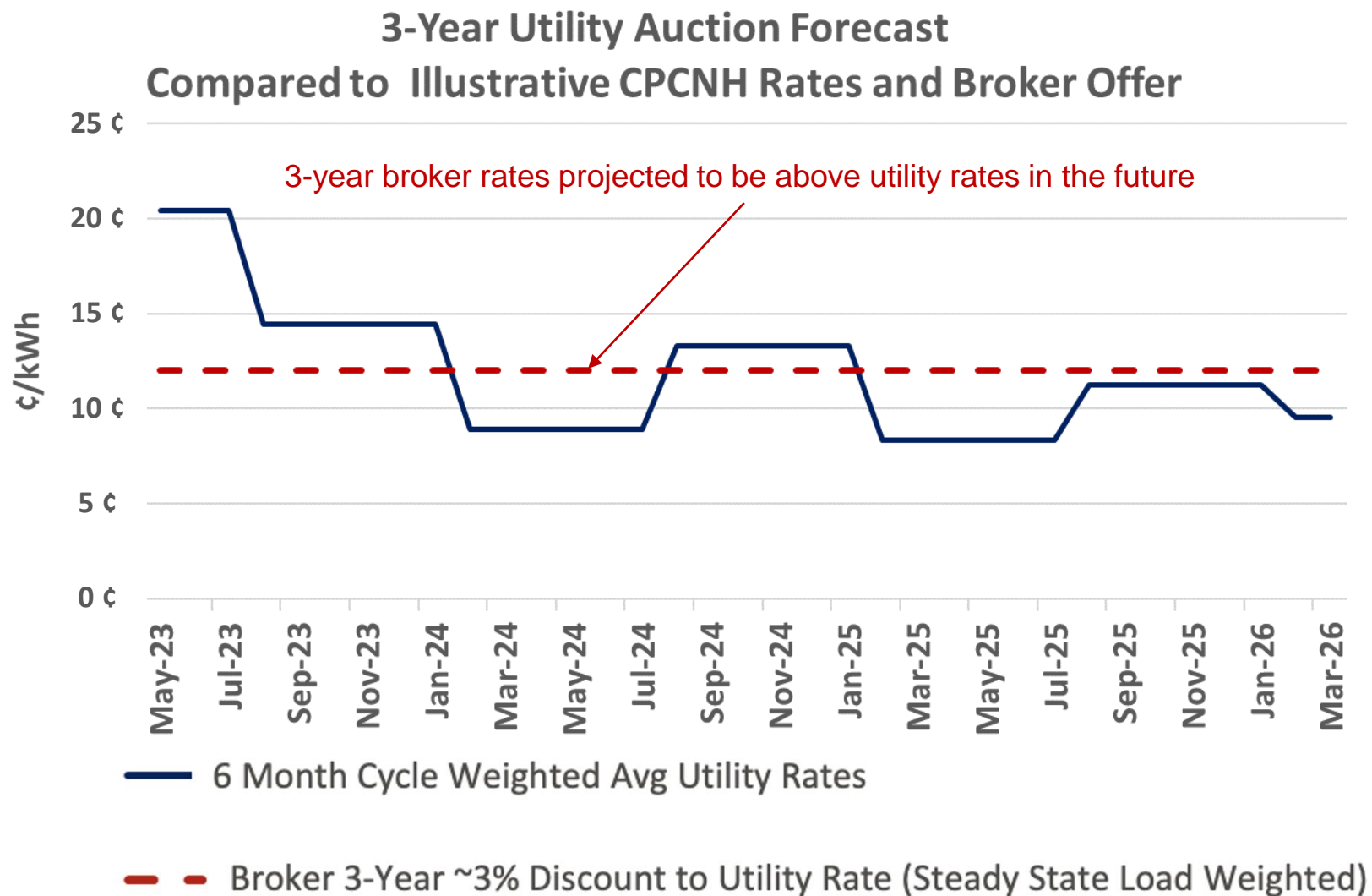
# Illustrative 3-Year Utility Auction Forecast

Based on Q1 2023 forward market prices



# Illustrative 12¢/kWh Brokered Rate

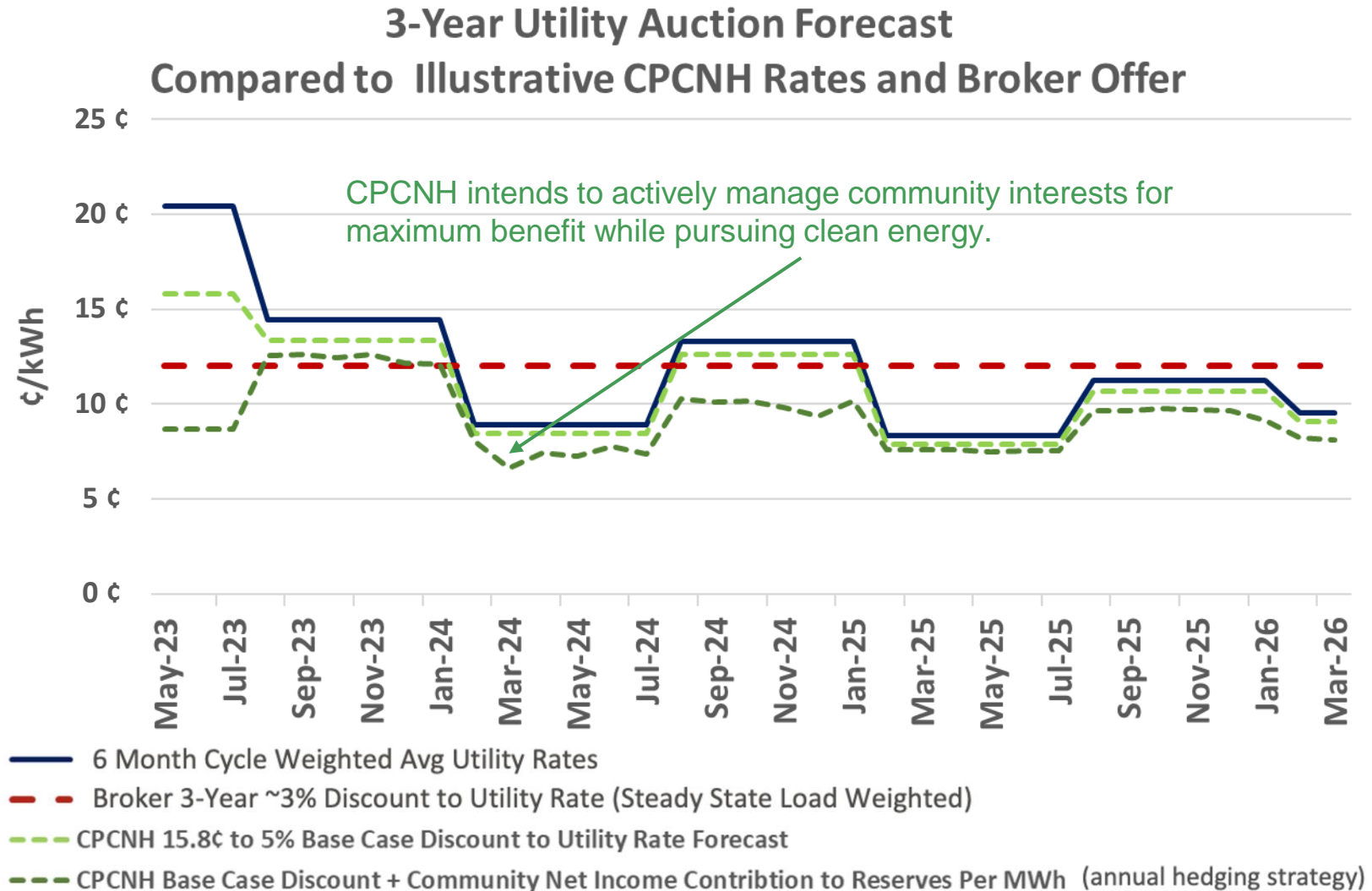
Yielding a load weighted average 3% discount over the entire 3 years





# Illustrative CPCNH Rate Overlay

Showing customer savings AND total community benefit





**COMMUNITY  
POWER COALITION  
OF NEW HAMPSHIRE**  
*For communities, by communities.*



Key documents,  
policies, and contracts  
available at  
[www.cpcnh.org/about](http://www.cpcnh.org/about)

# Questions & Discussion

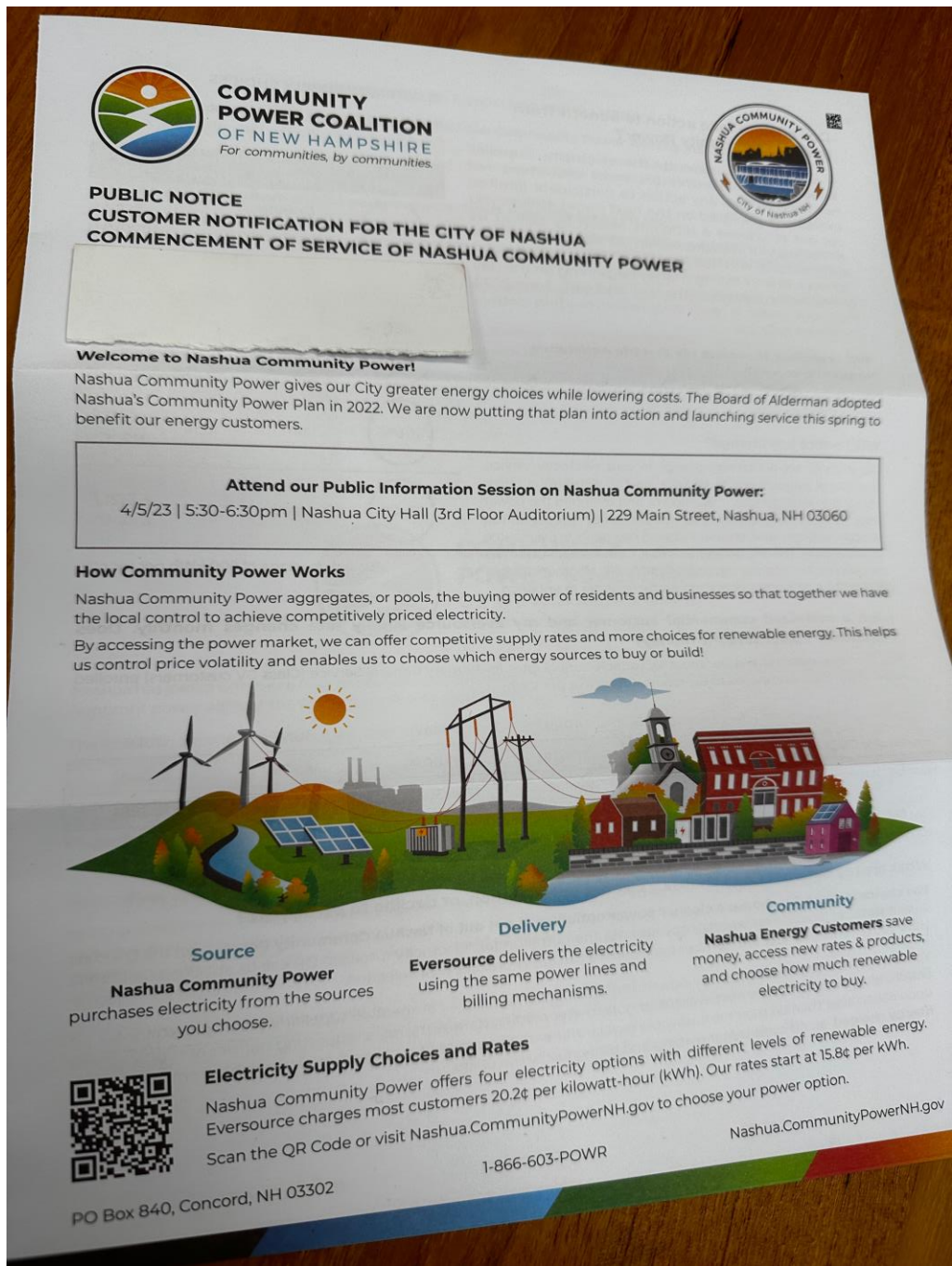
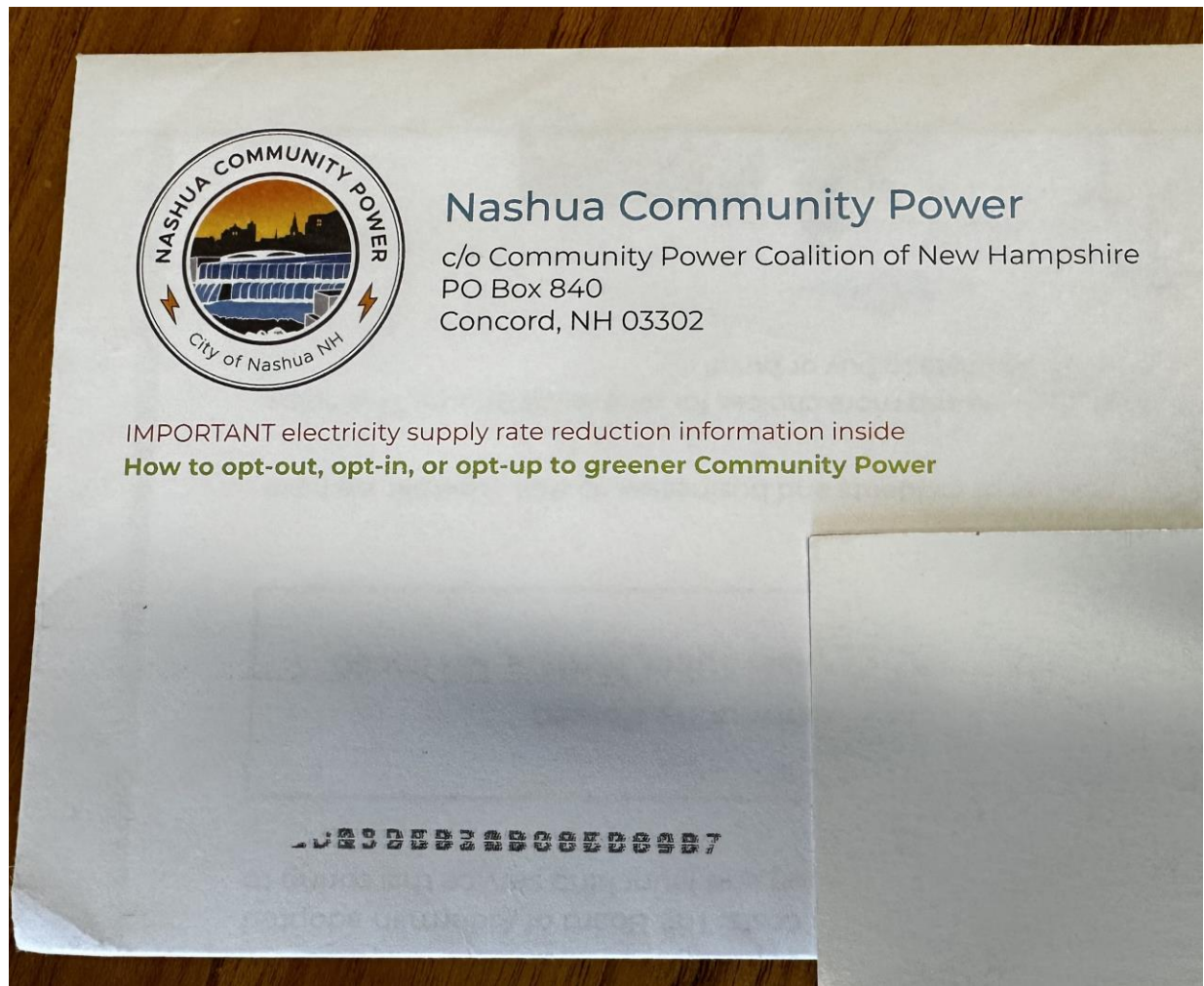
[www.CPCNH.org](http://www.CPCNH.org)  
[CommunityPowerNH.gov](http://CommunityPowerNH.gov)

# Customer Notification and Enrollment Process

- ⚡ At least **30 days before program launch** all electric customers will be mailed **notifications** that will include the initial fixed rate for Community Power service compared with Eversource
- ⚡ Customers currently on default energy service provided by Eversource will be **able to decline participation or “opt-out”** of Community Power by a return postcard, online, or by calling a customer service number.
- ⚡ If a **customer is already getting their power from a competitive supplier**, nothing will change unless they choose to switch and **“opt-in”** to Community Power.
- ⚡ New utility customers will get similar opt-out notices.
- ⚡ All Community Power default service customers will always be able to know the fixed rate at least 30 days in advance and be able to switch supplier at next meter read upon request with **no penalty or exit fee**.



# Customer Notification and Enrollment Process



# Customer Enrollments

## Wave 1 Includes Twelve Municipalities

- ⚡ Canterbury, Enfield, Exeter, Hanover, Harrisville, Lebanon, Nashua, Peterborough, Plainfield, Portsmouth, Rye, Walpole
- ⚡ ~76,000 customers being enrolled May – July 2023

## Customer Elections as of May 22, 2023

- ⚡ 130 opt-downs
- ⚡ 296 opt-ins
- ⚡ 295 opt-outs
- ⚡ 829 opt-ups

**Enrollment reporting available town-by-town**



# Customer Service & Enrollments

## Calpine Energy Solutions, Retail Customer Services

### ⚡ Utility “Electronic Data Interchange” (EDI)

- Data exchange for customer usage and billing information

### ⚡ Contact center & customer service representatives

- [www.CommunityPowerNH.gov](http://www.CommunityPowerNH.gov) customer web-portal
- 1-866-603-7697 (POWR) customer service phoneline
- Open 8am – 5pm weekdays
- [Info@CommunityPowerNH.gov](mailto:Info@CommunityPowerNH.gov)

### ⚡ Weekly reporting on contact center #s

Week	# of Calls	Week	# of Emails
3/27 - 4/02	147	4/03 - 4/07	27
4/03 - 4/09	187	4/10- 4/14	40
4/10 - 4/16	101	4/17 - 4/21	38
4/17 - 4/23	86	4/24 - 4/30	38
4/24 - 4/30	64	5/01 - 5/05	18
5/01 - 5/07	74	5/08 - 5/12	18
5/08 - 5/14	50	5/15 - 5/19	25
5/15 - 5/21	53	TOTAL	204
TOTAL	762		

Activity Type	5/15/23 - 5/19/23	5/8/23 - 5/12/23
Web Activity	42	75
Phone Call	53	50
IVR	0	0
Total	95	125

# Complete Service Bundle – Article VII

## Term; Procurement & Termination Elections

- ✓ **Cheshire** may elect to terminate Complete Service Bundle Contract with immediate effect via written notice, provided CPCNH has not authorized entering into transactions for power on behalf of **Cheshire**
- ✓ **Election to Delay:** “Authorized Officer” may delay commencing procurement during the Risk Management Committee (RMC) meeting convened to authorize the first power transactions of CPCNH on behalf of the Member
  - RMC will call for verbal elections to delay after discussion of rate forecasts
- ✓ **4. Term:**
  - During first 12-months, Member may elect to terminate after the full 36-month term
  - After first 12-months, Member may elect to terminate 36 months in advance

# CSB – VII, Section 5. Early Termination

## *Early Termination Option 1: Fulfill Waiting Period*

- ✈ Upon receipt of termination notice, CPCNH shall inform **Cheshire** of the **minimum waiting period** under which there would be no costs for withdrawal
  - Costs of withdrawal may include losses from the resale of power contracted for by CPCNH to serve the **Cheshire's** load
  - Waiting period = minimum duration by which no costs would be transferred to the remaining Members that have elected the Services

## *Early Termination Option 2: Covering of Losses*

- ✈ **Cheshire** may terminate during the waiting period, provided it first deposits sufficient funds with CPCNH, as reasonably determined by CPCNH and approved by a vote of the Board of Directors, to cover **Cheshire's** liability for outstanding costs
- ✈ **Cheshire** may elect to use its **allocated share of Joint Reserves or Discretionary Reserves**, for this purpose

# CSB – VII. Return of Joint Reserves; Authorized Officer & Principal Representatives; Amendments

***6. Return of Joint Reserves:*** After the effective date of a Member's termination, reserves in excess of the cost incurred by CPCNH as a result of the termination will be allocated back to the Member for its discretionary use

***Members will designate an "Authorized Officer" who may elect to:***

- ⚡ Delay commencing procurement: (YES/NO)
- ⚡ Specify default and optional products: (YES/NO)
- ⚡ Set Discretionary Reserve adders: (YES/NO)

***"Principal Representatives" are:***

- ⚡ Member & Alternate Reps (chosen by **Governance Council**); County Administrator

## ***Amendments***

- ⚡ Amendments are subject to review and approval of all Members that have executed the Complete Service Bundle Contract

## CSB, Article VII – Section 7.

### Additional Provisions for Members Operating Pursuant to County Plans or Joint Powers Agreements

#### *Cheshire Community Power Commits that:*

- ⚡ Each municipality and/or county participating in the CPA will only withdraw subject to the provisions of the County Member Service Contract for the Complete Service Bundle (slides 31, 32, 33), or as otherwise reasonably proposed by the Member and approved by a vote of the CPCNH Board of Directors
  - In neither case may costs associated with the departure be transferred to other CPCNH Members' CPAs
- ⚡ If any municipality and/or county participating in the CPA withdraws in violation of this Contract, Cheshire Community Power will be allocated the costs incurred by CPCNH



# CSB, Article VII – Section 7.

## **Additional Provisions for Members Operating Pursuant to County Plans or Joint Powers Agreements**

### ***Departure Option A: Switch to New or Alternate CPCNH Member CPA***

- ⚡ If a town departs to implement its own CPA as a Member of CPCNH, or to participate in another CPCNH Member CPA, CPCNH shall:
  - Transfer retail customers to the town's new or alternate CPA
  - Determine and allocate the share of Cheshire Community Power Reserves associated with the departing town to the new or alternate CPA

### ***Departure Option B: Withdrawal from CPCNH Service***

- ⚡ If a town departs to implement its own CPA outside of CPCNH service then the provisions of CSB VII Section 4, 5, 6 (termination, waiting period, covering of losses, return of reserves) shall be applied as though the town were itself an individual Member CPA (slides 31, 32, 33)
  - Cheshire County shall be exclusively relied upon, and responsible, to submit notice and act promptly on the town's behalf and CPCNH shall rely upon Cheshire's written instructions