

# CPCNH OVERVIEW FOR MUNICIPAL GOVERNING BODIES

Community Power programs create an economy of scale that can result in more affordable electricity and expanded options for renewables and innovative energy technologies.

December 12, 2022

FOR COMMUNITIES, BY COMMUNITIES.



**COMMUNITY  
POWER COALITION**  
OF NEW HAMPSHIRE



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# 1 | Process to Date & Moving Forward



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# Steps to Date

✓	<b>Appointed Electric Aggregation Committee</b>
✓	<b>Adopted Joint Powers Agreement</b>
✓	<b>Appointed CPCNH Director &amp; Alternate to serve on Member Board</b>
✓	<b>Developed &amp; adopted Electric Aggregation Plan (EAP) w/ public input</b>
✓	<b>Received Public Utilities Commission approval of EAP</b>

## Actions for Launch

- ❑ Governing Body adopts Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies
- ❑ Governing Body adopts Cost Sharing Agreement and authorizes CPCNH to...
  - ❑ Procure power; notify utilities of commencement of service; support/conduct public engagement campaign to raise awareness for Community Power; mail customer notifications and process opt-ins/outs
- ❑ Member CPA to hold public hearing 15 days after customer mailer sent
- ❑ **Target launch:** April/May 2023

# 2 | Key Agreements & Policies

**Cost Sharing Agreement**

**Energy Portfolio Risk Management Policy**

**Retail Rates Policy**

**Financial Reserves Policy**



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# Interplay of Cost Sharing Agreement + Policies

## Cost Sharing Agreement

- ~ Ensures costs are fairly tracked, allocated and reported;
- ~ Delegates authority to CPCNH to provide CPA service;
- ~ Provides operational clarity to all parties.

## Energy Portfolio Risk Management Policy

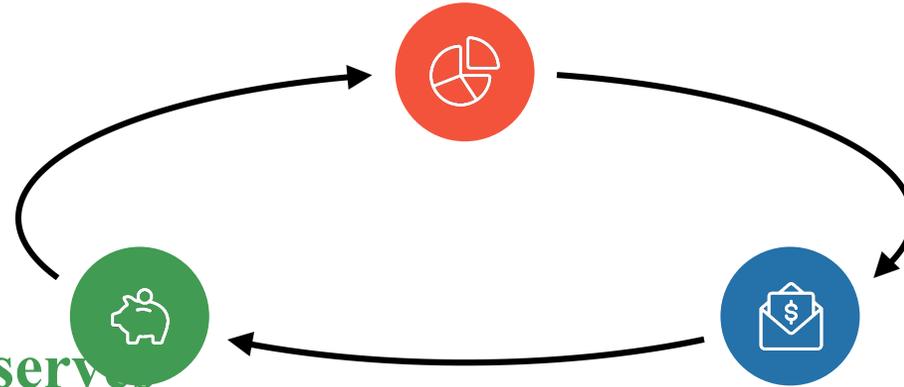
- ~ Outlines mechanisms, financial safeguards, and reporting / transparency to procure electricity for Members.

## Financial Reserve Policy

- ~ Outlines how Financial Reserve will be established/maintained;
- ~ Provides mechanisms use of reserves;
- ~ Describes how excess reserves are allocated and made available to Members.

## Retail Rates Policy

- ~ Describes how retail rates will be set and what types of rates will be offered.



# Cost Sharing Agreement

## ~ Purpose:

**Fair & proportional cost allocation** among CPCNH Members

**Delegation of authority** from Member Community to CPCNH as agent to provide service to and collect revenues from participating customers, in accordance with Risk, Rates & Reserves policies

**Provide operational clarity** to all parties

- ~ Provides for monthly **prospective** and **actual** cost reporting available to Members
- ~ Defines (a) CPA Member Services Costs; (b) General & Admin Costs; (c) Project Costs and fair/transparent recovery method for each based on cost-causation
- ~ CSA is the same for all Members...
  - ~ Except for Members electing to participate in additional optional services or Project Contracts above minimum service requirements
  - ~ Future **Project Contracts** will be appended to CSA
- ~ Shares cost of “implementation” evenly across first 5 years of Members
- ~ **Term:** 3-years after date electricity is first supplied to first wave CPAs

# Energy Risk Management Policy

**Purpose:** to provide a framework for managing risk in procuring and hedging the power supply portfolio, and accrue reserve funds to satisfy financial obligations.

**Objectives:** Meet customer “all-requirements electricity”, obtain best available rates, rate stability, develop and maintain financial reserves, plus additional items outlined in document.

**Scope:** The risk management policy document prescribes the management organization, authority, and processes to monitor, measure and control the risks to which CPCNH is exposed to from participation in the wholesale energy markets. CPCNH is exposed to three quantifiable risks:

1. Volumetric risk: load and resource variability.
2. Price risk: market-related cost variability.
3. Counterparty Credit and Collateral Call risk: potential default by a counterparty or requirement to post collateral

# Retail Rates Policy

**Purpose:** This Retail Rates Policy outlines the requirements, objectives, rate setting authorities, rate setting processes, and different types of rate products of the Community Power Coalition (CPCNH).

**Objectives & Requirements:** CPCNH shall only launch new Member CPAs if it can offer a rate plan that meets or beats the utility default service rates and will strive to maintain default service rates that are lower than or competitive with utility default service rates. In addition, other rates plans will also be made available for customers to Opt-up if desired (e.g. for higher renewable energy content).

## **Scope:**

- Rate setting considerations: financial data, CPCNH energy positions, member objectives, market considerations, Energy Assistance Program accommodations;
- Policy amendment process;
- Defines rate setting process and rate structures
- Rate Offer Types and Approval Authorities (Opt-Up, Opt-Out, Net Metering)

# Election of Rate Products

- ~ Members may select different **default** and **opt-in** rate products
  - ~ Members may elect Granite Basic or Granite Plus as their default product, and other products as optional (opt-in / opt-up / opt-down)

Product	Minimum Content	Member Election
Granite Basic	Minimum RPS Content (23.4%)	Default, Opt-Down, or N/A
Granite Plus	~33% Renewable or Carbon Free	Default, Opt-Up, or N/A
Clean 50%	~50% Renewable or Carbon Free	Opt-up or N/A
Clean 100%	100% Renewable or Carbon Free	Opt-up or N/A

# Financial Reserves Policy

**Purpose:** establishes minimum, target, and maximum levels of cash reserves that will be accrued, used, maintained, and monitored by CPCNH and subject to the terms herein.

**Objectives:** Financial reserves are accrued and maintained by CPCNH on behalf of and for the benefit of Member CPAs and to:

- Protect against emergency default rate adjustments.
- Strive to adjust rates gradually over time.
- Ensure cash availability when net revenues are unavailable.
- Lower and avoid interest expenses.
- Achieve a credit rating and maintain good standing with rating agencies.
- Manage risks identified in the Energy Portfolio Risk Management Policy.

**Scope:**

- Rights of Members to reserve contributions; Reserve accounting/tracking per member
- Establishing reserve target levels
- Establishing conditions for use of reserves
- Board process for changing reserves policy



# 3 | Community Power & CPCNH Team



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# What is Community Power?

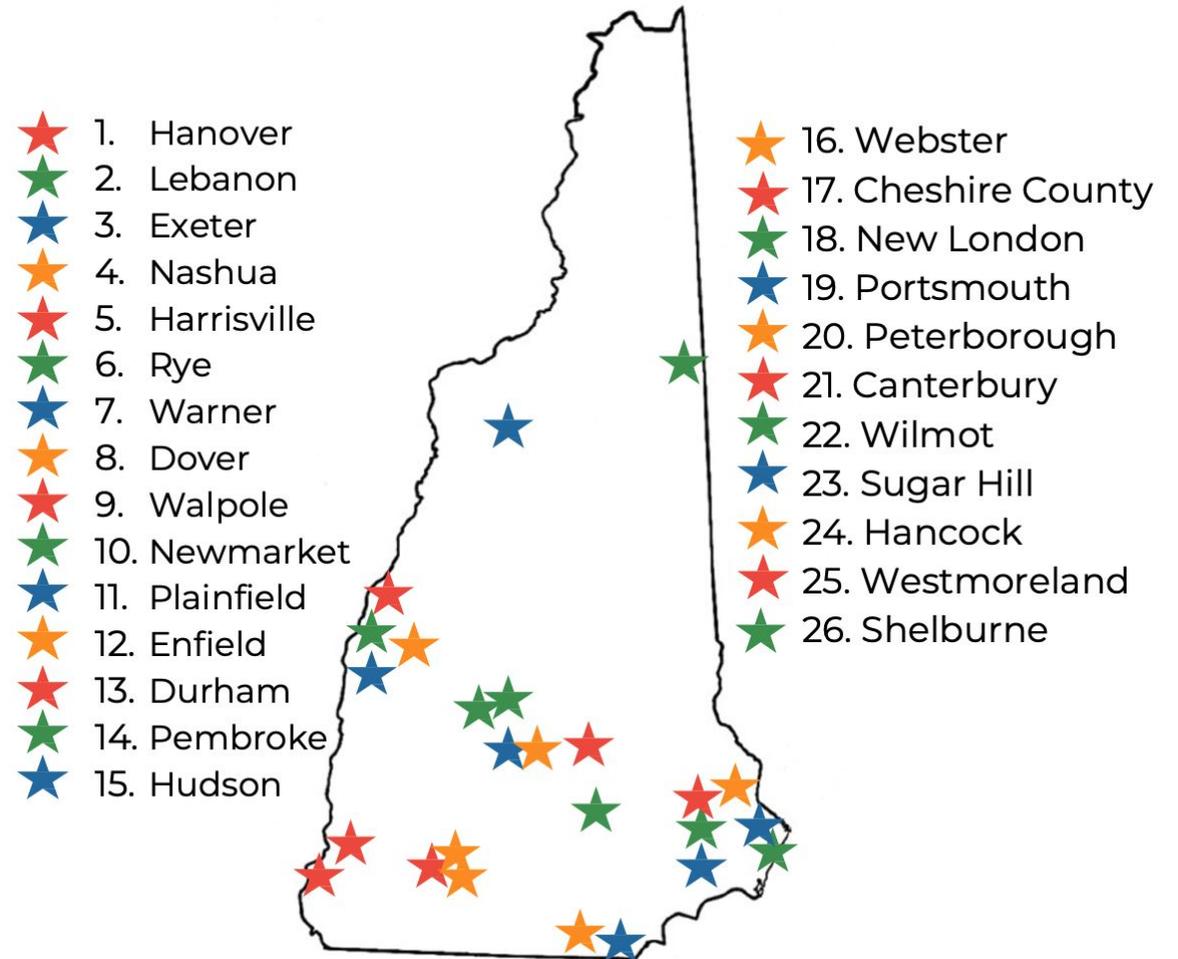
- ~ Community Power programs pool, or aggregate, the demand of customers in a community and purchase electric power on behalf of that community with the goal of **lowering costs** and expanding **access to renewable energy** and other innovations.
- ~ Community Power programs are enabled by New Hampshire's updated Community Power law [RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities & Counties.](#)
- ~ The Legislature's intent in enacting RSA 53-E was to “*encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities*”.

# Key Points about Exeter Community Power

- ~ **Unitil will continue to deliver electricity** to customers, and to own and operate the local distribution system. They will also continue to provide customer service and billing.
- ~ The Exeter Select Board, with advisory support from the Exeter Community Power Advisory Committee is **authorized to contract for the necessary professional services and power supplies to launch Exeter Community Power (e.g. CPCNH).**
- ~ **Participation in Community Power is completely voluntary.**
- ~ After electricity rates are established, all customers not already on competitive supply will be notified and automatically enrolled. Customers can choose to opt-out and stay with Unitil for electricity supply. Customers on competitive supply may choose to opt-in to Exeter Community Power **or** stay with their current supplier.

# Community Power Coalition of New Hampshire

- ~ Community-governed not-for-profit Joint Power Agency formed on 10/1/21
- ~ 26 Members representing:
  - >20% of NH population
  - ~119,000 customers
  - ~960,000 MWh / year
  - ~\$150 million / year revenues (controlled by communities)
- ~ Target windows for program launch:
  - Spring 2023 for 12 Members
  - Spring 2024 for 14+ Members



# Coalition Model vs. Broker Model

## Coalition Public Power

- ~ Transparent & locally accountable **governance**
- ~ Non-profit, Member-controlled **reserve fund** accrual + investment
- ~ Active **portfolio management** for lower, stable rates & development of **local projects**
- ~ Economic + political **scale** = lower costs & leadership on policy reform
- ~ **Demystifies** power sector for informed decision-making & innovation over time

## Broker Model

- ~ Simplifies approach & outsources requirements to broker/supplier team
- ~ Governance + oversight largely limited to broker/supplier selection and contract approval
- ~ Foregoes diversified portfolio = added risk of single supplier for fixed term & price
- ~ No demonstrated success in developing new generation + storage projects

### Trade press documents inherent limitations and risks of Broker Model:

[CCA Administrator Alleges ESCO's Action Put The Credibility Of New York's Opt- Out Aggregation Program At Risk \(April 2022\) \(https://bit.ly/3Pod6W3\)](https://bit.ly/3Pod6W3)  
[Retail Supplier Files Bankruptcy, Customers Returned To Default Service; Supplier Serves Over 100 Muni Aggregations \(March 2022\) \(https://bit.ly/3HtNODV\)](https://bit.ly/3HtNODV)

# Governed “for Communities, by Communities”

## BOARD OF DIRECTORS

## OFFICERS & COMMITTEE CHAIRS

1. Chair Clifton Below, City of Lebanon (alt. Greg Ames)
2. Vice Chair Christopher Parker, City of Dover (alt. Jackson Kaspari)
3. Treasurer Kimberly Quirk, Town of Enfield (alt. Jo-Ellen Courtney)
4. Secretary Evan Oxenham, Town of Plainfield (alt. Steve Ladd)
5. Director Terry Clark, Cheshire County (alt. Chris Coates)
6. Director Doria Brown, City of Nashua (alt. Deb Chisholm)
7. Director Kevin Charette, City of Portsmouth (alt. Peter Rice)
8. Director Kent Ruesswick, Town of Canterbury (alt. Howard Moffett)
9. Director Mandy Merrill, Town of Durham (alt. Nat Balch)
10. Director Nick Devonshire, Town of Exeter (alt. Julie Gilman)
11. Director Jim Callihan, Town of Hancock (alt. Robbie Hertneky)
12. Director April Salas, Town of Hanover (alt. Peter Kulbacki)
13. Director Andrea Hodson, Town of Harrisville (alt. Andrew Maneval)
14. Director Craig Putnam, Town of Hudson (alt. Kate Messner)
15. Director Jamie Hess, Town of New London (alt. Tim Paradis)
16. Director Toni Weinstein, Town of Newmarket (alt. Steve Fournier)
17. Director Steve Walker, Town of Peterborough (alt. Danica Melone)
18. Director Matt Miller, Town of Pembroke (alt. Jackie Wengenroth)
19. Director Lisa Sweet, Town of Rye (alt. Howard Kalet)
20. Director Jordan Applewhite, Town of Sugar Hill (alt. Margo Connors)
21. Director Paul Looney, Town of Walpole (alt. Dennis Marcom)
22. Director Clyde Carson, Town of Warner (alt. George Packard)
23. Director Marty Bender, Town of Webster (alt. David Hemenway)
24. Director Mark Terry, Town of Westmoreland (alt. John Snowdon)
25. Director William Chaisson, Town of Wilmot (alt. )



[Clifton Below](#)  
Chair

**City of Lebanon**  
Assistant Mayor & City  
Councilor



[Kim Quirk](#)  
Treasurer

**Town of Enfield**  
Energy Committee



[Christopher Parker](#)  
Vice Chair

**City of Dover**  
Deputy City Manager



[Evan Oxenham](#)  
Secretary

**Town of Plainfield**  
Energy Committee



[Matt Miller](#)  
Chair, Risk  
Management

**Town of Pembroke**  
Energy Committee



[Lisa Sweet](#)  
Chair, Member  
Operations

**Town of Rye**  
Energy Committee



[Mandy Merrill](#)  
Chair, Regulatory &  
Legislative Affairs

**Town of Durham**  
Energy Committee



[April Salas](#)  
Chair of CEO &  
Staff Search

**Town of Hanover**  
Sustainability Director

**COMMITTEES** (1) Executive (2) Finance (3) Risk Management (4) Member Operations & Engagement (5) Regulatory & Legislative Affairs (6) CEO & Staff Search

# CPCNH Professional Services Team

The Coalition has assembled a team of industry leading firms and professional service providers to operate member Community Power programs.

<p><u>Energy Portfolio Risk Management</u></p> 	<p><u>Retail Customer Services</u></p> 	<p><u>Member Services &amp; Public Engagement</u></p>  <p>CLEAN ENERGY NH Your Voice in All Energy Matters</p>
<p><u>General Counsel</u></p>  <p>DUNCAN WEINBERG GENZER PEMBROKE</p>  <p>PRIMMER PIPER EGGLESTON CRAMER PC &amp;</p>	<p><u>Start-up Consultants</u></p>  <p>COMMUNITY CHOICE PARTNERS SECURING YOUR COMMUNITY'S ENERGY FUTURE</p> <p><b>HERNDON ENTERPRISES</b></p>	<p><u>Financial &amp; Accounting Services</u></p>  <p>River City Bank</p> <p>(CPCNH is in process of enlisting accounting services)</p>

Executive Search Services: to support identifying and onboarding CPCNH's CEO



# Legal Services + Startup Consulting Team



## General Counsel

Decades of national, state and local experience counseling public power clients

Michael Postar, Esq.

President of DWGP



**Lead Technical Consultant** with 10+ years power agency design/ operations experience

Drafted Joint Powers Agreement, Business Plan / cashflow analysis, Electric Aggregation Plan template & RFP solicitations and is advising on contract negotiations, critical path, regulations, org development, etc.

Samuel Golding



## New Hampshire Counsel

Elijah Emerson, Esq.

## HERNDON ENTERPRISES

**Member Services Consultant** and project lead on organizing group formation and agency incorporation  
Community Power program development & approval  
Administrative & communications services



Henry Herndon

# Energy Portfolio Risk Management

*Ascend Analytics is a national industry leader in power portfolio risk management, resource planning, and software solutions.*

~ Clients include many of North America's more advanced community power agencies, electric utility companies, and energy generation and storage project developers.

*Services include:*

- ~ Technical assessment of regional and state markets and CPCNH's business model, including cashflow analysis
- ~ Support development of Key Agreements.;
- ~ Model electric demand, price and risk;
- ~ Scenario analysis and stochastic modeling to minimize risk;
- ~ Technical guidance for rate setting;
- ~ Contract for Load Serving Entity (LSE) services; and
- ~ Provide up to \$8.5 million in credit support and liquidity to purchase electricity.



# Energy Risk Management Team



Dr. Gary Dorris

President of Ascend Analytics



Dr. Carlos Blanco

Managing Director of Analytics Solutions



Dr. Allison Weis

VP Optimization



Scott Wigglesworth

Managing Director of Operations and Strategy



Devin Gaby

Manager of Software Services



Dr. Brandon Mauch

Manager of Resource Planning Analytics



David Millar

Managing Director of Resources Planning and Procurement



Dr. Brent Nelson

Director of Market Intelligence



Michael Ballow

Director of Analytics and Strategy



Rishi Sahay, CFA

Director of Portfolio Analytics



Robert LaFaso

ISO Monitoring & Compliance Analyst



Anthony Boukarim

Senior Energy Analyst

Ascend's team for CPCNH includes an additional ~30 analysts to support procurement and portfolio risk management.

# Retail Customer Services:



*Calpine Energy Solutions is one of the largest electric service providers in the U.S.*

- ~ Has industry-leading expertise in data management, CPA customer service, software development and customization, big data solutions, and energy policy
- ~ Has helped successfully launch and operate more than 20 community power agencies.
- ~ Is providing \$750,000 in startup funding to support CPCNH's launch and development as a public power agency

*Services include:*

- ~ Utility data interchange; customer data management; billing; and customer engagement, enrollment mailers & processing, and call center services;
- ~ Providing data tools to ensure Members have access to their data and that CPCNH has the ability to independently stand up a data warehouse and draw in the data held by Calpine.

# Retail Customer Services Team



**4M+**  
meters

AS OF JUNE 2022

- 100+ CCA-dedicated employees
- 200+ Call center service languages
- 200K+ Customer calls fielded annually
- 175K+ Daily usage data files received
- 750+ Rate change tests and validations performed
- 6,500+ Individual rate components managed daily
- 50+ Statutory enrollments across over 20 CCAs
- 10M+ Monthly EDI transactions



**Paula White**  
VP Operations



**Drake Welch**  
SVP of Community Power



**Joshua Brock**  
VP Commercial Operations



**Matthew Messina**  
Director of CCA Client Services



**Santiago Chuck**  
Director of Products and Services



**Matthew Leja**  
Manager of Systems Support

Calpine's team includes significant call center agent capacity and an additional ~20 support staff to manage CPCNH data and billing operations.

# Member Services & Public Engagement:



*NH-based nonprofit and trusted advocate for communities with clean energy ambitions*

~ Extensive statewide connections and deep understanding of local politics, culture, and energy discourse

## *Services include:*

- ~ Development and execution of a statewide media strategy;
- ~ Policy monitoring and reporting;
- ~ Support Member development, adoption and approval of Electric Aggregation Plans;
- ~ Support community engagement and informational forums for member candidates;
- ~ Development of member webpages and educational resources/materials.

# Banking & Financial Services:



*River City Bank (RCB) has extensive experience in multi-party lock-box services for Community Power Aggregations to lower collateral and financing costs*

~ RCB is the first bank to provide credit and banking services to CPAs in California

## *Services include:*

~ Set up and administration of a secured revenue account (lockbox) for CPCNH;

~ Customer revenues will be deposited by the utilities and paid out to CPCNH's power suppliers and load serving entity;

~ Option to provide debt financing for renewable energy project development

*\*CPCNH is in the process of selecting a firm to provide accounting services.*

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[www.cpcnh.org](http://www.cpcnh.org)