

Residential Ratepayers' Advisory Board
Minutes of the January 22, 2024 Meeting

<i>Present for the Board</i>	<i>Present for the OCA</i>
Dana Nute, Vice Chair	Donald Kreis, Consumer Advocate
Yolanda Baumgartner	Lesley LaPerle, Legal Assistant
Ryan Clouthier	Michael Crouse, Staff Attorney
Matthew Kfoury	Marc Vatter, Director of Economics and Finance
Neal Kurk	Matthew Fossum, Director of Regional and Federal Affairs
Claira Monier	

Guest Speakers: Brian Callnan (Chief Executive Officer) and Deana Dennis (Director of Regulatory and Legislative Affairs) of the Community Power Coalition of New Hampshire (CPCNH)

Mr. Nute called the meeting to order at 2:01 p.m. No members of the public were present. Official introductions were made for Matthew Fossum (Director of Regional and Federal Affairs), the newest member of the OCA Staff.

1. Minutes of October 23rd, 2023 Meeting

Mr. Kurk moved to approve the minutes and Mrs. Monier seconded; the motion was approved by unanimous consent.

2. Presentation from Brian Callnan and Deana Dennis - CPCNH

Mr. Callnan and Ms. Dennis shared a presentation that, at a high level, addressed what community power is, how it is implemented, what is the role of CPCNH, and the challenges that CPCNH currently faces.

Community Power, authorized under RSA 53-E, democratizes energy governance by allowing communities participate in joint power solicitations and local project development opportunities in order to provide its residents with lower rates and increased product choices.

CPCNH is a non-profit member driven organization with four staff members supported by approximately 25 experts. CPCNH is governed by communities, for communities — meaning New Hampshire cities, towns, and counties, can become default electricity providers for their residents. There are different models CPCNH offers to ease the membership and implementation process; however, typically the process starts with: (1) joining the coalition by having a Joint Powers Agreement approved by the Selectboard, (2) establishing an Electric Aggregation Committee to prepare an Electric Aggregation Plan that can be brought before a town meeting for voter adoption, and with voter adoption, (3) launch community power. Alternatively, the selectboard of a town can join with a county that is seeking membership, or is already a member.

More simply, the Joint Powers Agreement documents that the potential member understands the coalition's cost sharing agreement. The Electric Aggregation Committee signals that the potential member has a team that understands what it is doing, and how to manage its responsibility as an energy service provider through its aggregation program. And with voter adoption, or selectboard approval of participation in a county-based program, energy governance in that community has become democratized.

CPCNH currently serves 16 communities, or approximately 80,000 customers. Twenty-five communities were expected to join in 2024, or just over 100,000 customers. Alternatively, a municipality deciding to participate in community power aggregation can opt for a broker model. The benefit using a broker is that it can negotiate a fixed price with a wholesale supplier for a one-to-three-year term, allowing the community to assess whether cost savings might occur should it accept that rate. Alternatively, CPCNH determines a new rate every six months based on active portfolio management strategies that generally give communities a low rate, and flexible risk management options. CPCNH does not guarantee it offers the lowest rate.

Ms. Dennis highlighted that CPCNH promotes public advocacy by supporting the democratization of community energy governance through its members. CPCNH is promoting local control, community development, and open access to the electric system by empowering communities to make informed decisions about power procurement. For instance, joining the CPCNH allows communities to speak with one voice before the Legislature and Public Utilities Commission.

Mr. Kurk raised the question of who actually votes on decisions made by the CPCNH. Mr. Callnan explained that the citizens of the town do not vote once community power has been implemented but, rather, each member municipality selects a primary representative and an alternate representative, to the CPCNH.

CPCNH has confronted some operational challenges. Some of those challenges are:

- Operational barriers dealing with and working with utilities, utility compliance with Puc 2200 rules; rules including how the town submits plans; how data is transmitted after; exporting data from net metering customers.
- CPCNH has not been able to serve most Net Energy Metering customers because the utilities are disputing what their obligations under the Puc 2200 rules actually are.

Mr. Kreis noted that his counterparts in Connecticut, Maine, Massachusetts and Rhode Island all supported an end to retail choice for retail customers. He asked for CPCNH's perspective on this question. Mr. Callnan stated that CPCNH itself is a good example of how it is expanding retail choice because Community Aggregation is resulting in the lowest rate offered to residential customers compared to default service. CPCNH has an active portfolio management style that allows it to diversify its energy procurement methodologies (ladder, short/long term procurements, etc.). But that does not guarantee CPCNH is the lowest CPCNH also does not guarantee it will offer the lowest rate but took note that it offers additional benefits such as clean energy.

Marc Vatter raised a concern that with the rising wholesale negotiating power CPCNH acquires as its membership grows, wondering whether that would negatively affect the

procurement options available to customers still on default energy service. Mr. Callnan said he did not think that to be the case, and was aware of no evidence to the contrary.

Mr. Kurk inquired further why doesn't CPCNH work with competitive suppliers to guarantee the lowest available rate. Mr. Callnan responded by stating CPCNH does not guarantee the lowest rate but is currently offering the lowest rate compared against default energy service provided by the investor-owned NH utilities. He also expressed that there hasn't been a need to guarantee the lowest rate, and that there are additional benefits such as higher cost rates that include a higher percentage of renewable energy.

3. Officer Elections for 2024

Mr. Clouthier nominated Mr. Moses to serve as Chair for 2024. Mrs. Monier seconded the motion, which was adopted unanimously. Mrs. Monier nominated Mr. Nute to serve as Vice Chair. Mr. Clouthier seconded the motion, which was adopted unanimously.

4. Case Update

The Board received a current Activity List prior to the meeting.

Mr. Kreis drew the Board's attention to PUC Docket No. DW 23-101, the joint petition of Pennichuck East Utility, Inc., Pittsfield Aqueduct Company and Pennichuck Water Works, for the approval of their merger. The three affiliated utilities are also seeking permission to consolidate their rates. If the companies remained as discrete entities, Pennichuck contends it must raise its rates by 33 percent to meet its debt service obligations. However, if it merged with its affiliates and all adopted the same rate schedule, Pennichuck East could implement a rate decrease of approximately 24 percent. The concern is that the customers of Pennichuck Water Works, which serves Nashua, would make up the deficiency in PEU by subsidizing customers of the neighboring utilities.

5. Legislative Update

The Board previously received a list of House and Senate Bills being tracked by the OCA. Mr. Kreis discussed SB 320, which would require PUC to establish performance incentive metrics for utilities. He explained that performance-based regulation is a rubric whereby the PUC determines a baseline revenue requirement for the utility and then rates vary, up or down, according to whether the utility hits certain benchmarks based upon desirable outcomes. Mr. Kreis noted that both the PUC and the Department of Energy testified against the bill, making its prospects in the House doubtful, although he added that a separate, Senate version had been introduced in the other body.

6. Any other topics or issues that the Board wishes to discuss

Mr. Kreis noted that the Board was meeting in Hearing Room B and he wondered whether it was of sufficient size. Mr. Kreis and the Board discussed the size of the room noting that even with three Board members absent, and no members of the public present, Hearing Room B was at capacity. There was consensus that Mr. Kreis, Mr. Moses, and Mr. Nute should attempt to persuade the PUC to resume allowing the Board to use Hearing Room A, which is much larger.

7. Adjournment

Mr. Nute moved to adjourn. Ms. Monier seconded the motion, which was adopted unanimously. The meeting was adjourned at 4:25 p.m. The next meeting of the Board will be April 22, 2024, at 2:00 p.m.

DRAFT