

Frequently Asked Questions
Community Power Coalition of NH
Hanover Community Power

1. What is “Community Choice Aggregation” or “Community Power”?

Community choice aggregation (CCA), also known as “municipal aggregation” or “community power”, are programs that allow local governments to procure power on behalf of their residents, businesses, and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more green power than is offered by the default utility and/or lower electricity prices. By aggregating demand across an entire community, cities and towns gain leverage to negotiate better rates with competitive suppliers and can have access to greener power sources.

“Community Power”, which in New Hampshire is authorized by RSA 53-E, democratizes energy purchasing by empowering towns, cities and counties to choose where their electricity comes from and how it is generated on behalf of their residents and businesses. This enables electricity customers to choose sources of electricity that differ from the standard retail or “default” mix of power offered by the incumbent electric utilities in NH, which include Liberty, Eversource, Unitil and the NH Electric Co-op. Across the U.S., different states determine the percentage of retail or default power offered by the incumbent utilities that must be derived from renewable sources. In NH, that percentage (referred to as the Renewable Portfolio Standard or RPS) is very low at 21.6%. In addition, there are efforts currently underway in the NH Legislature to further reduce the State’s RPS. Hanover wants to push beyond this very low RPS offered in the standard incumbent utility default power mix.

In many states across the country, municipalities and counties have launched regional Community Power programs as a means of taking control of their combined electricity purchases, both to reduce the cost to consumers and to push for production of more renewable energy as a percentage of the total electricity

produced in the U.S. Increased demand for green power fosters investment in renewable energy producers by insuring a sizeable and sustainable customer base.

2. Why must Hanover adopt an Electric Aggregation Plan?

Under RSA 53-E, the Community power statute, in order to launch a municipal electric aggregation a community must first appoint an Electric Aggregation Committee (EAC). That EAC, which the Hanover Selectboard officially appointed in the fall of 2017, is then charged with developing an Electric Aggregation Plan (EAP) which must include components that are specifically outlined in the statute. Once that EAP has been developed, it must be adopted by the local legislative body in each community which, in Hanover, is Town Meeting. That is why the Hanover Community Power Electric Aggregation Plan is proposed to be included on the Warrant for Hanover's July 13th Town Meeting.

Given how complex and technical a community EAP must be to comply with RSA 53-E, Town staff and Hanover's Electric Aggregation Committee have prepared these Frequently Asked Questions to provide background for interested residents. We will also be holding one or more public informational meetings via Zoom in June to enable residents to familiarize themselves with this proposal, the Selectboard will also hold a public hearing on the Electric Aggregation Plan on Monday, June 7th.

3. What is the Community Power Coalition of NH?

The Community Power Coalition of New Hampshire is a non-profit Joint Powers Agency in development, governed "by communities, for communities", that will empower communities and counties across New Hampshire to:

1. Streamline the process for authorizing a Community Power program in each community and county.
2. Share services and staff support across member communities and counties.
3. Participate in joint power solicitations and local project development opportunities such as community solar, large-scale battery installation, robust energy efficiency programs, electric charging infrastructure, etc.
4. Share knowledge and collaborate regionally on clean energy and resilient infrastructure development.
5. Speak with one voice at the NH Legislature and Public Utilities Commission on public advocacy issues related to energy and Community Power.

CPCNH is guided by several core values, including:

- Embody an inspiring vision for New Hampshire's energy future.
- Support communities to reduce energy costs and pursue economic vitality by harnessing the power of competitive markets and innovation.
- Support communities to implement successful energy and climate policies and to promote the transition to a carbon neutral energy system.
- Balance the interests of member communities who are diverse in demographics, geography and their energy goals.
- Use shared expertise, leadership and skills to educate, empower and build the capacities of member communities and counties.
- Help communities demystify the power sector to help them make informed decisions.
- Facilitate collaboration and teamwork by championing diversity, equity and inclusion of people and communities of all kinds.

The Coalition's scale and structure as a Joint Powers Agency is what allows it to provide Members with continuous, expert management of a diversified portfolio of short- to long-term energy contracts negotiated with multiple competing suppliers. This approach is more "hands on" and flexible in terms of risk management compared to Community Power programs in most other states, where a municipality will typically: hire a broker on an individual basis, contract with a single electricity supplier at a fixed-price for a 1-to-3-year term, and hope that the program results in cost savings for customers on average (compared to how utility default service rates change over the length of contract).

4. Why has Hanover been active in forming Community Power Coalition of NH?

Formation of CPCNH is a natural progression in the work the Town has done around green power over the past 8 years.

Early Steps to Renewable Electricity

Sustainable Hanover volunteers and Town staff began steering the community toward green power in 2013 as part of a nationwide push by the EPA during the Obama Administration. Hanover became the first EPA Green Power Community in New England when we were selected in the summer of 2014, committing to purchase Renewable Energy Certificates to offset more than 10% of the community's total electricity consumption.

In May of 2015, Sustainable Hanover launched the Hanover Green Power Challenge, enlisting the assistance of electricity supplier ENH to go out to bid to procure 100% green power as an option for any interested Hanover residential customer. During a 6-week recruitment period, 384 residential property owners signed up for the program, opting to purchase the 100% green power package offered by ENH rather than the largely brown default power mix provided to all Liberty retail (residential and small commercial) electricity customers. Unfortunately, Sustainable Hanover had to discontinue the bulk purchasing effort in the spring of 2017 after ENH was purchased by another company which was not willing to continue the Hanover program, arguing that our small community electricity purchasing co-op was too small for them to service. Hanover became increasingly aware that we needed strength in numbers of customers to develop a successful green power program that could rival the default power option offered by Liberty, Unitil, Eversource and the NH Electric Co-op.

Strategies to Achieve Ready for 100 Goals

In May of 2017, Hanover Town Meeting voted to become a “Ready for 100” community, pledging to shift the **entire community** to 100% renewably generated electricity by 2030 and 100% renewable transportation and heating fuel by 2050. Hanover was the first community in the nation to make this commitment on behalf of the whole community; most cities and towns had only committed to procuring 100% renewable energy for just the municipal government entity and not on behalf of all utility customers within their boundaries.

Since 2017, many local Sustainable Hanover volunteers and Town staff, combined with efforts on the Dartmouth campus, have been steadily moving the community toward 100% renewably generated electricity, one kwh at a time. As part of that work, the Town identified four strategies to achieve the 2030 goal including:

1. Position the town to “walk the talk” by: 1) shifting 100% of municipal electricity consumption to rooftop and ground mounted solar on Town buildings and property; 2) converting all heating and cooling systems in Town buildings to air source heat pumps or other non-fossil fuel alternatives; 3) maximizing the energy efficiency of each Town building (re-insulation of building envelopes, installation of new windows, LED lighting, re-roofing, etc); and 4) shifting vehicles and other technology to electric power as soon as the technology is reliably available, all powered by local solar generation.
2. Implement *Solarize Hanover* and *Weatherize Hanover* to enable local homeowners and small businesses to reduce fossil fuel consumption by installing onsite solar, investing in community solar projects and improving the energy efficiency of their homes and businesses, thereby reducing their

dependence on fossil fuel. These programs involve connecting residents and business owners with the technical expertise and state and federal funding programs available to incentivize these transitions.

3. Pursue municipal aggregation of electricity purchases, as authorized by RSA 53-E to enable Hanover retail electricity customers (residential and small commercial) to purchase electricity generated from renewable sources rather than relegating them to a Liberty, Eversource or NH Electric Co-op default power mix which, based on the current NH RPS, is less than 22% green.
4. Pursue aggregation of large consumers' electricity purchases and look to undertake a 15+ year Power Purchase Agreement to enable them to lock in competitive green power pricing with a preference toward purchasing New England-based renewably generated electricity.

Hanover Benefits from Joining the Community Power Coalition of NH

The launch of the Community Power Coalition of NH and our accompanying local electricity aggregation, Hanover Community Power, will enable the Town to consolidate our community-wide buying power and contract with CPCNH to pool the community's retail electricity purchases with those of other member communities. By doing so, Hanover tackles the third goal outlined above. Hanover staff spent 18 months developing the CPCNH model together with representatives from several other communities and Cheshire County as the first step in aggregating electricity purchasing. During the planning process, we have kept Sustainable Hanover updated on an ongoing basis. By pooling electricity purchases, CPCNH and Hanover Community Power as a participating member, will be able to bid a 100% green power product, as well as an electricity mix that is significantly greener than the current incumbent utility default service. Purchasing in large quantity and demanding a much larger percentage of green power in that mix results in substantial price reductions for all participating customers and enables participating communities to shift the electricity generation landscape in New England to offshore wind, large scale solar and geothermal. Given that New England trails behind other parts of the U.S. in terms of solar, wind and geothermal electricity production, this is our chance to make our mark in our region as supporters of green power.

4. Will my current electricity provider in Hanover (Liberty Utilities, Eversource or the NH Electric Co-op) continue to deliver my electricity?

Yes, your current incumbent electric utility will continue to own the transmission and distribution system including all electricity substations, power lines, utility poles, transformers, the electricity feed to your home and your meter. NH is a

deregulated state which means that the incumbent electric utility that provides your service owns all the transmission and distribution equipment, maintains these systems and bills you for the electricity you use. The incumbent utilities purchase the electricity they supply from independent electricity generators, bidding their electricity business on the open market on a periodic basis.

5. What role will Hanover Community Power and CPCNH play in providing my electricity?

Hanover Community Power will serve as the local aggregator for electricity purchases for all participating retail (residential and small commercial) customers who do not choose to opt-out of participating in the combined electricity purchase.

Hanover Community Power will then contract with CPCNH to go out to bid for electricity supply for all participating Hanover customers along with the customers from other participating communities that adopt similar Electricity Aggregation Plans. CPCNH will package the bid for electricity, receive and review all bids, select the electricity providers and then notify all customers participating in each community aggregation of the price secured for electricity as well as the range of electricity options available. Customers will have a fixed period of time to **opt out** of the purchase if they would prefer to continue purchasing their incumbent utility's default power. For Hanover Community Power, CPCNH will provide usage data to their utility so they receive a single bill representing all electricity charges.

6. How can I sign up to participate in Hanover Community Power?

Prior to launch of a Community Power program, all eligible customers are mailed notifications and provided the opportunity to opt-out or opt-in to the program, depending on whether they currently take service from their incumbent default service provider or a Competitive Electric Power Supplier:

- Customers currently on utility-provided default service will be notified, provided the opportunity to decline participation, and transferred to Hanover Community Power if they do not "opt-out". These customer notifications will include the initial fixed rate for the aggregation program's default service compared with the utility default service rate and will be mailed to customers at least 30 days in advance of program launch, providing instructions for customers to decline participation (for example, by return postcard, calling a phone number or using a web portal).
- Customers who previously chose to take service from a Competitive Electric Power Supplier rather than their incumbent electric utility will be notified and may request to "opt-in" to the Hanover Community Power program.

Any new customers that move into the municipality in future will automatically receive default service from the Community Power program and will be notified by mail.

7. What if I change my mind about participating? Can I revert back to Liberty or Eversource default power?

Yes, all customers supplied electricity from Community Power programs are free to switch back to the utility-provided default service, or to take service from a Competitive Electric Power Supplier, by opting-out of the program and switching suppliers in advance of their next billing cycle.

8. Will Hanover Community Power provide various electricity options?

While planning is still in the initial stages and will not likely launch until the spring of 2022, the current hope is to provide a range of options, to include a 100% green, a 75% green and a 50% green offering. In general, a larger green power mix is more expensive than a pure brown power mix and CPCNH wants to be sensitive to individual customers' abilities to pay. By offering a range of mixes, the goal would be to have an option that works for all customers depending on their capacity to expend. The larger the aggregation, the lower the cost per kilowatt hour, no matter the power mix. And, as the Biden Administration works with the private and public sector to fast-track renewable energy generators, over time, the cost of green power is likely to come down when compared with the cost of electricity generated by fossil fuels or nuclear.

9. If I own solar panels that provide electricity for my property, can I still participate in Hanover Community Power?

Hanover Community Power intends to offer a Net Energy Metering (NEM) generation rate and terms to customers with onsite renewable generation eligible for net metering from the incumbent utilities. Note that any non-supply related components of the NEM tariff (e.g., credits for transmission and distribution) will continue to be provided to customer-generators directly by the incumbent utilities.

How Hanover Community Power calculates, accounts for and provides NEM credits to participating customer-generators for the different types of eligible system sizes, customer types and group configurations will have a number of important financial and practical implications for the program and customers in Hanover.

Hanover Community Power also anticipates encountering practical challenges of an operational nature in administering net metering and group net metering programs. This is partly because NEM continues to evolve in New Hampshire in response to new policy and regulatory requirements, and the day-to-day processes that govern the coordination between the program, participating customers and incumbent utilities are subject to refinement and change over time.

Specifically, Hanover Community Power will be one of the first default aggregation programs to launch in the Liberty, Eversource and NHEC service territories, and the process of transferring significant numbers of NEM customers may cause unanticipated issues due to the metering, billing and data management requirements of this subset of customers. Hanover Community Power will maintain close coordination with the incumbent utilities to expeditiously resolve any such issues that may occur.

10. Is CPCNH and Hanover Community Power unique or is this sort of aggregation already being done elsewhere in New England or nationally?

No, CPCNH and Hanover Community Power are not unique. In nine U.S. states, state law enables the establishment of Community Power Aggregations, including California, Illinois, Ohio, Massachusetts, New Jersey, New York, Rhode Island, Virginia and New Hampshire. In the state of California alone, there are more than 4 dozen CPAs functioning, serving millions of California electricity customers. While the statute has been in place in NH since 1997, CPCNH is the first effort to establish a multi-community and county power aggregation. Neighboring Massachusetts was the first state in the nation to enable the establishment of CPAs and hosted the first CPA, Cape Light Compact, serving Cape Cod and Martha's Vineyard customers. CPCNH is fortunate that there are dozens of great CPA models to emulate around the U.S. and a myriad of available technical advisors and well-established resources to rely on as we move forward.

11. Now that Hanover has signed the Joint Powers Agreement what is the cost of CPCNH membership?

There is no cost to adopting the Joint Powers Agreement and joining the Coalition as a Member. Initial Members will participate in the development of the Coalition's cost-sharing agreements in accordance with Article V of the JPA. Municipalities are under no financial obligation until they execute a cost-sharing agreement.

The Joint Powers Agreement provides for three types of costs:

1. **CPA Member Services Costs:** Costs incurred to provide a menu of services which Members may choose from, including a Complete Service Bundle,

will be recovered from Members receiving those services. The Complete Service Bundle will include services such as: power supply procurement and management, data and billing, and customer service.

2. **Direct Project Costs:** Members may choose to participate in a specific Project (e.g., community solar project). Costs associated with specific Projects will be recovered from participating Members.
3. **General and Administrative:** Costs of the Corporation that are not allocated to CPA Member Services or Projects will be recovered as General and Administrative Costs. General and Administrative costs are to be based on a *pro rata* share of each Member's annual electricity sales and are expected to be recovered from the proceeds of those sales.

Member Services Costs and Direct Project Costs are only incurred by Members actively electing to contract for those specific services. Members will be able to launch Community Power programs at no upfront expense through the Coalition, with implementation and operating costs recovered through program revenues post-launch.

Municipalities may withdraw from the Coalition prior to entering into a cost-sharing agreement without any financial obligation. Municipalities may thereafter withdraw from the Coalition subject to any continuing obligations pursuant to cost-sharing agreements.