

Durham Community Power Program

Plan Overview & Roadmap



A Community Power program allows municipalities to purchase energy supply on behalf of its residents and businesses. This creates an economy of scale that should result in more affordable energy prices and more options for greener energy and innovative technologies.



Agenda

- **What is Community Power?**
- **The Electric Aggregation Plan**
- **Community Power Coalition of New Hampshire**
- **Timeline for Durham Community Power program**
- **Questions? Comments**

What is Community Power?

- ❖ Community Power aggregates, or pools the electricity demand of all customers in a community, in order to purchase electric power on behalf of that community. The initial goals:
 1. lowering costs to residents,
 2. expanding access to renewable energy,
- ❖ Over time, there will be additional options to:
 - invest in energy related projects to benefit our community, and
 - accelerate other energy innovations.
- ❖ Community Power programs are enabled by New Hampshire's recent updates to Community Power law [RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities & Counties](#), including the ability to offer **opt-out** programs.

Some Terminology We Use

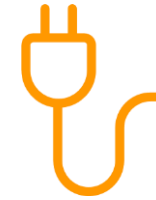
- ❖ What is **Opt-out** vs. **Opt-in** and why is it important?
 - In the present program for alternate energy suppliers, if you do nothing, you stay with the “**default energy supplier**” which for Durham is either Eversource or New England Energy Cooperative. This is called an “**Opt-in**” program, which meant if you wanted to select an alternate supplier you had to exercise your “Option” to get “into” the program. Because most people took no action, participation never got above 10%, and the program was not very effective.
 - With the recent updates to the Community Power law, the program can be launched as “**Opt-out**”, which means if you do nothing, you stay with the Community Power supplier. If you want Eversource, you must exercise your option to go “**out**” of the program. Customer participation rates for the alternate supplier are much higher, and more customers leads to better buying power.

Benefits of Community Power – Near Term

New Hampshire cities, towns, and counties can procure **electric power supply** on behalf of their residents and businesses.



NEW power contracts and rates



NO change to network or billing

Pooled Purchasing Power
for **Energy Supply**

- Lower rates
- More green power options
- Access to competitive markets
- Lower costs & price stability through portfolio of contracts & reserve fund
- Option to source power locally

Eversource

Continues to **Deliver** Power

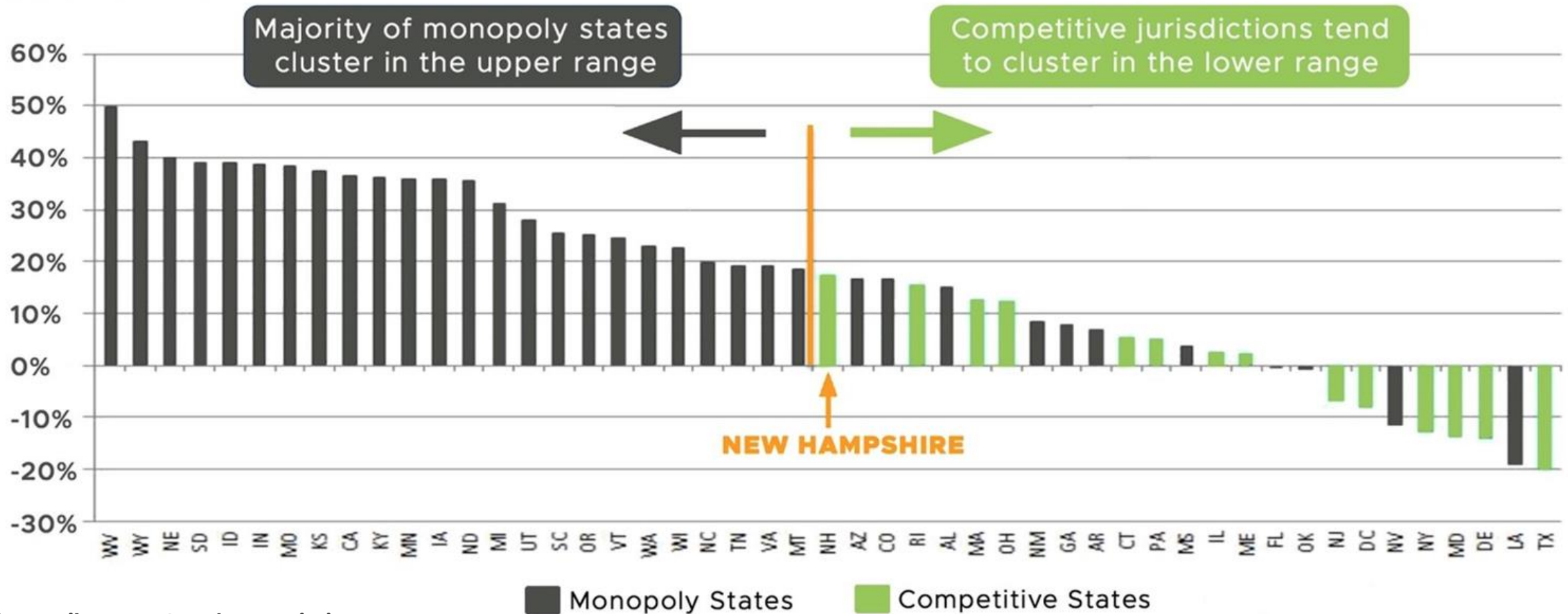
- Owns & maintains the power grid
- Delivers power to customers
- Ensures reliable electric service
- Reads meters & sends bill

Competitive vs. Monopoly Price History

NH market hasn't performed well in terms of price competition (vs other 'restructured' states)

All Sector Price % Price Change by State, 2008-2019

Source: EIA 861M



Credit: Retail Energy Supply Association

Longer Term Benefits of Community Power



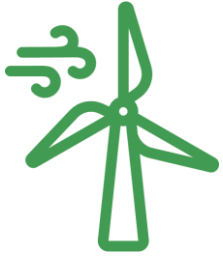
Local Control

Localizing energy procurement to the community level
Locally controlled reserve fund



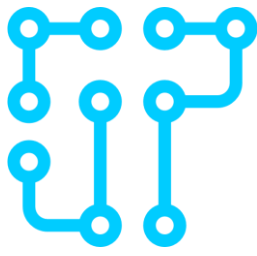
Lower Costs

MA, NY, CA and other markets have demonstrated continued lower rates than regulated utilities (like Eversource)



Renewables

Build & Buy Clean Energy – Support more local renewable Sources



Resilience & Innovation

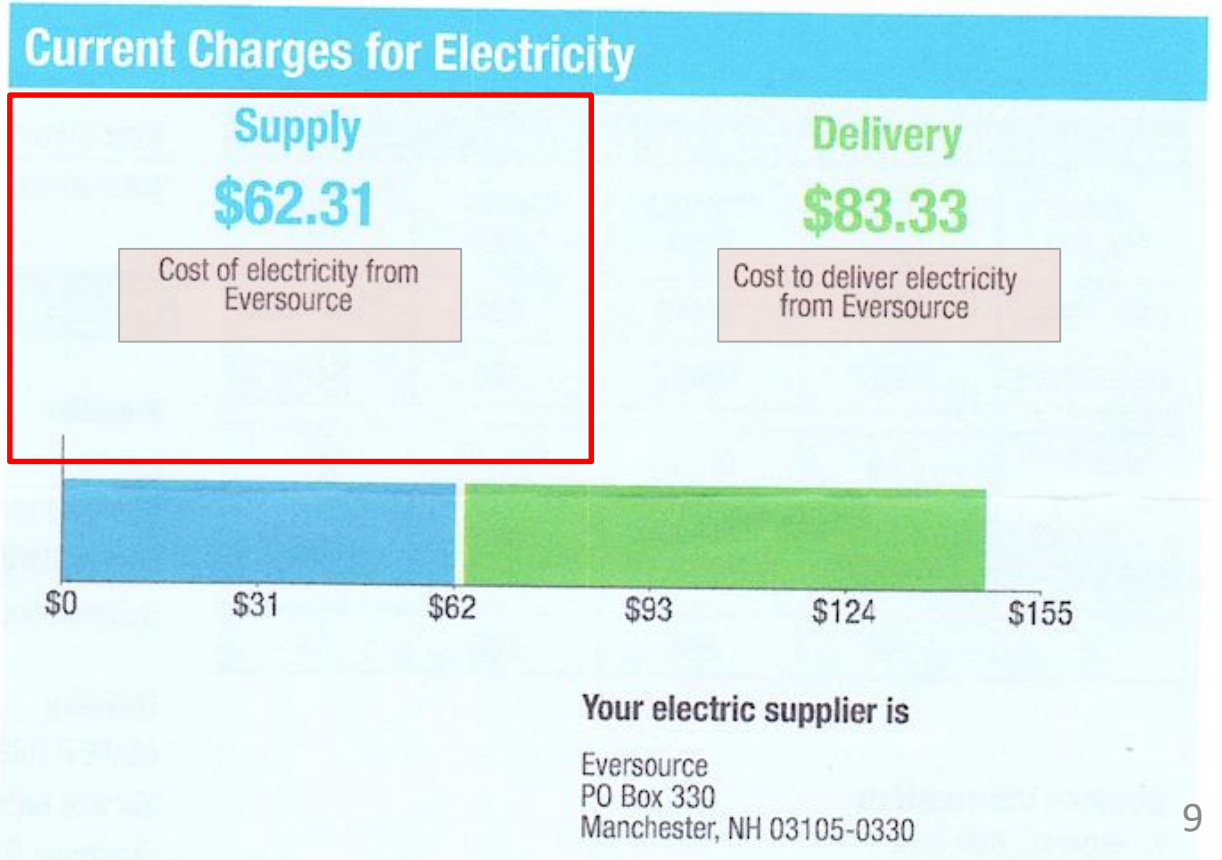
New Technologies
Market Competition
Price Signals
Customer Empowerment

“Durham Community Power will only launch if it can initially offer default rates lower than or competitive with those offered by Eversource and NH Electric Co-op”.

How Will It Affect My Bill?

Default Service: Supply & Delivery Page 1

| | |
|---|-----------------|
| Payment will be sent to bank for processing on 09/24/21 | \$145.64 |
| Amount Due On 08/29/21 | \$26.47 |
| Last Payment Received On 08/25/21 | -\$26.47 |
| Balance Forward | \$0.00 |
| Total Current Charges | \$145.64 |



How Will It Affect My Bill?

Default Service: Supply & Delivery Page 2

Total Charges for Electricity

| | | |
|----------------------------|-----------------------|---------|
| Supplier | | |
| Eversource | | |
| Service Referer [REDACTED] | | |
| Energy Chrg - Rate R | 706.00kWh X \$0.08826 | \$62.31 |
| Subtotal Supplier Services | | \$62.31 |

| | | |
|----------------------------------|------------------------|-----------------|
| Delivery | | |
| (RATE R RESIDENTIAL SVC) | | |
| Service Referer [REDACTED] | | |
| Customer Chrg | | \$13.81 |
| kWh Distribution Chrg | 706.00kWh X \$0.05177 | \$36.55 |
| Regulatory Reconciliation Adj | 706.00kWh X \$-0.00016 | -\$0.11 |
| Transmission Chrg | 706.00kWh X \$0.03046 | \$21.50 |
| Strnded Cst Recovery Chrg | 706.00kWh X \$0.00896 | \$6.33 |
| System Benefits Chrg | 706.00kWh X \$0.00743 | \$5.25 |
| Subtotal Delivery Services | | \$83.33 |
| Total Cost of Electricity | | \$145.64 |
| Total Current Charges | | \$145.64 |

Key Points About Durham Community Power

- ❖ Eversource will continue to deliver electricity to customers, and to own and operate the local distribution system (poles, wires, transformers, sub-stations, etc.). They will also continue to provide customer service and billing.
- ❖ The Durham Town Council, with advisory support from the Durham Energy Committee and the Community Power Coalition of NH (CPC-NH), will be authorized to contract for the necessary professional services and power supplies to launch Durham Community Power. [We plan to use CPC-NH to establish those contracts .](#)
- ❖ **Participation in Durham Community Power is completely voluntary.** After the electricity rates are established, **all customers** not already on competitive supply will be notified and **automatically enrolled**.
 - ❖ However, they can then choose to **opt-out** and select the Eversource supply.
 - ❖ All customers on competitive supply may choose to switch to the Durham Community Power Plan.

What is the Electric Aggregation Plan?

- ❖ In October, the Durham Town Council voted unanimously to designate the Durham Energy Committee as the town's Electric Aggregation Committee pursuant to RSA 53-E.
- ❖ They also tasked the Durham Energy Committee with preparing an Energy Aggregation Plan, which is the next step toward Community Power. This is a detailed plan that explains how our program will operate. It is available for your review on our webpage at https://www.ci.durham.nh.us/sites/default/files/fileattachments/energy_committee/page/70021/durham_eap_draft_v3.pdf
- ❖ The Durham Energy Committee (also pursuant to RSA 53-E) will hold 2 Public Information Sessions, on **June 15** and **July 6, 2022** to educate the residents about Community Power and get further input.

DURHAM COMMUNITY POWER

ENERGY COMMITTEE

Drafted Electric Aggregation Plan (EAP)

TOWN COUNCIL

Appointed CPCNH Directors
Approves EAP for Submission
Oversees DCP

DURHAM RESIDENTS

EAP



PUBLIC UTILITIES
COMMISSION

Approves Durham EAP

CPCNH is formed and governed
by 15 Member communities,
including Durham.

CPCNH provides
comprehensive services to
Durham Community Power

EVERSOURCE

Power Delivery,
Metering, Billing



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Committees
Expert staff & vendors
Contracts for power & serves
customers on behalf of DCP

ISO New England

Power Market

The Durham Community Power program will:

- ❖ **Serve as the default electricity supplier for Durham residents – in an “opt-out” program**
- ❖ **Operate on a competitive basis** – Customers will be able to switch back to Eversource energy service or other suppliers *with no penalty*.
- ❖ **Be self-funded** by rates paid by participating customers – **The Town will not use taxes to cover program expenses.**
- ❖ **Contract for the necessary services and energy supplies through CPC-NH**, in order to: implement and operate the program, and set customer rates prior to program launch.
- ❖ **Operate with the guidance and advice** of the Durham Town Council, the Durham Energy Committee (DEC), and CPC-NH, all of which will continue to provide oversight thereafter.
- ❖ **Offer additional service and rate choices to customers beyond the default**, such as more renewable energy and (in the future) time-varying rates.
- ❖ **Only launch if it can initially offer default rates lower than or competitive with those offered by Eversource and NH Electric Co-op**

How Will the Plan Roll-Out to Customers ? (Spring 2023)

- ❖ At least 30 days before program launch, all Durham electric customers will be mailed notifications that will include the initial fixed rate for Durham Community Power (DCP) service compared with Eversource.
- ❖ All customers currently on default energy service provided by Eversource will be **automatically enrolled** in the DCP service
 - These customers will be able to “**opt-out**” of DCP and return to Eversource by mailing a postcard, accessing an online website, or by calling a customer service number.
- ❖ New utility customers will get similar opt-out notices.
- ❖ Customers already using a competitive supplier will not be changed, but will have the option to switch to Durham Community Power.
- ❖ All Durham 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.

Some Terminology (2)

- ❖ What is the **Renewable Portfolio Standard (RPS)**?
 - New Hampshire's Electric Renewable Portfolio Standard ("RPS") statute, RSA 362-F, established the renewable energy policy for the State.
 - It requires each electricity provider to meet a percentage of customer load using renewable energy – 22.5% in 2022, rising to a maximum of only 25% in 2025.
 - Eversource, our **default utility supplier**, provides power using only the **minimum** required percentage of renewables.
 - One of the goals of Community Power is to offer customers easy and affordable access to power suppliers with higher renewable content.

Example of Customer Rates and Optional Products

Example of a possible DCP default service product and optional products that could be offered to customers:

| | Automatic Enrollment | OPTIONAL PRODUCTS | | |
|-----------------------------|--|----------------------------|--|----------------------------------|
| | Default Service \$ | Basic Service \$ | Green Start \$\$ | Prime \$\$\$ |
| Renewable Attributes | 5 – 10% above the Renewable Portfolio Standard | Meets RPS | “RPS +” Up to 50% Renewable | “RPS ++” 100% Renewable |
| Price | Equal or Lower than default utility at launch | Below default utility rate | Slightly higher or competitive w/ default utility rate | Higher than default utility rate |

Results from marketplace contracts, guidance from residents, the DEC, and the Town Council will determine what the actual product offers will look like.

Components of Customer Supply Rates

As with Eversource, the rate a customer pays for energy supply consists of several components. (Note: this does not include the cost of delivery)

| Total Supply Rate = | Cost of the Energy Supply | + Cost for Services | + Reserve |
|--|--|--|--|
| <p>This is the total supply rate you will see on the supply portion of your bill.</p> <p>With Eversource, this is currently 10.669¢ per kwh through July 2022</p> | <p>This is the actual cost of the energy supply per kwh.</p> | <p>This will be a small portion that will cover the costs of energy procurement and contract management through CPCNH.</p> <p>With CPCNH, this cost is proportionally divided among members.</p> | <p>This will be a small portion, defined by and set aside for each community.</p> <p>This will ensure the financial stability of the program and will facilitate greater resiliency and local options for efficiency and innovation.</p> |

Durham Community Power will:

- ❖ Adhere to all legal requirements just as Eversource does (i.e. - provide universal access, reliability, and equitable treatment of all classes of customers)
- ❖ Meet, at a minimum, the basic environmental and service standards (such as a minimum RPS %) established by the Public Utilities Commission and other applicable agencies
- ❖ Provide long-term reserve funding for cost stabilization, local resiliency projects, and efficiency programs
- ❖ Be self funded - no tax dollars are required
- ❖ Only launch if it can initially offer default rates lower than or competitive with those offered by Eversource and NH Electric Co-op



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

Community Power Coalition of New Hampshire – (CPC- NH)

**What is it, and how is it related to
Durham Community Power?**

- ★ 1. Town of Hanover
- ★ 2. City of Lebanon
- ★ 3. Town of Exeter
- ★ 4. City of Nashua
- ★ 5. Town of Harrisville
- ★ 6. Town of Rye
- ★ 7. Town of Warner
- ★ 8. City of Dover
- ★ 9. Town of Walpole
- ★ 10. Town of Newmarket
- ★ 11. Town of Plainfield
- ★ 12. Town of Enfield
- ★ 13. Town of Durham
- ★ 14. Town of Pembroke
- ★ 15. Town of Hudson
- ★ 16. Town of Webster
- ★ 17. Cheshire County
- ★ 18. Town of New London
- ★ 19. City of Portsmouth



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EAP



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Power Market

What is CPCNH designed to be and do?

- ❖ Statewide public power non-profit providing full range of services for Community Power programs
- ❖ Governed by member communities – financial & operational transparency
- ❖ **Shared** services and professional staff that will provide:

- Pooled competitive procurement; economies of scale; avoid redundancy
- Risk management of portfolio of power supply contracts
- Retail customer services
- Opportunities for new projects & services
- Joint legislative & regulatory advocacy to improve NH energy market, innovation, and efficiency

Town of Durham and Durham Community Power program



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For communities, by communities.

After legal review, the Durham Town Council/Town of Durham joined the Community Power Coalition of NH (CPC-NH) on 9/27/21 as one of 14 founding members.

- The Coalition was developed by the CPC-NH organizing group and was incorporated as a non-profit on 10/1/2021.
- Founding communities include: the cities of Lebanon, Nashua, and Dover, the towns of Durham, Hanover, Harrisville, Exeter, Enfield, Rye, Newmarket, Plainfield, Warner, and Walpole, and Cheshire county. Other communities are in the process of joining.
- **CPC-NH is designed to insulate member municipalities and their taxpayers from financial and legal liabilities of CPC-NH and its services, while being accountable to locally elected bodies.**
“For communities – By communities”

Town of Durham and Durham Community Power program (2)

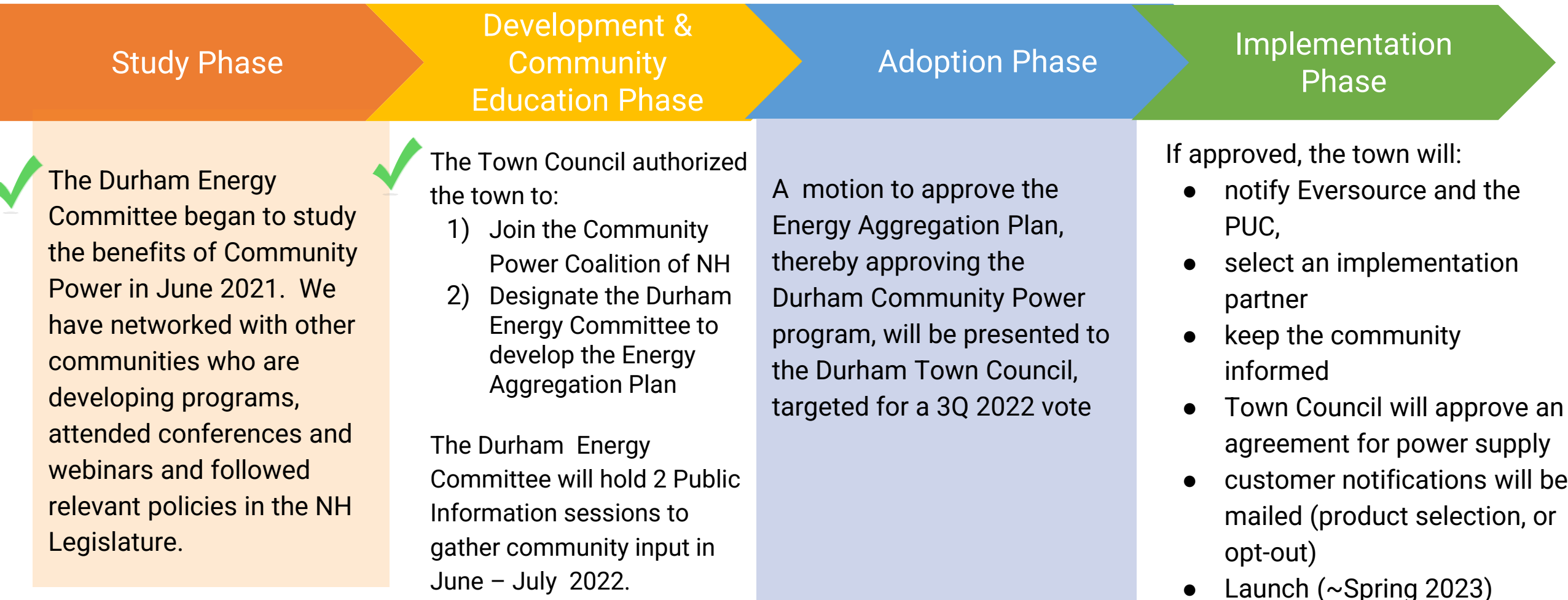


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- By joining CPC-NH, the Town of Durham has accessed the expertise, resources, and legislative advocacy of the other coalition communities.
- Each founding community has appointed a Director and an Alternate to the board of CPC-NH to oversee the formation, governance and operation of the Coalition.
 - **Durham's Director is Amanda Merrill; the Alternate is Nat Balch**
- Our Energy Aggregation Plan *assumes* the Durham Town Council, with the assistance of the Durham Energy Committee, will contract for operational services through CPC-NH, jointly with other participating Community Power programs.

Timeline for the Durham Community Power program

Durham Community Power Timeline



THANK YOU FOR YOUR INTEREST!



Questions? Comments?

dec@ci.durham.nh.us

Learn More and Take Our Survey at:

www.ci.durham.nh.us/boc_energy/durham-community-power-program

- ✓The Durham Energy Aggregation Plan
- ✓Presentation on the Energy Aggregation Plan
 - ✓Frequently Asked Questions
- ✓Durham Community Power Survey



Please take
our survey
and share
your opinion!

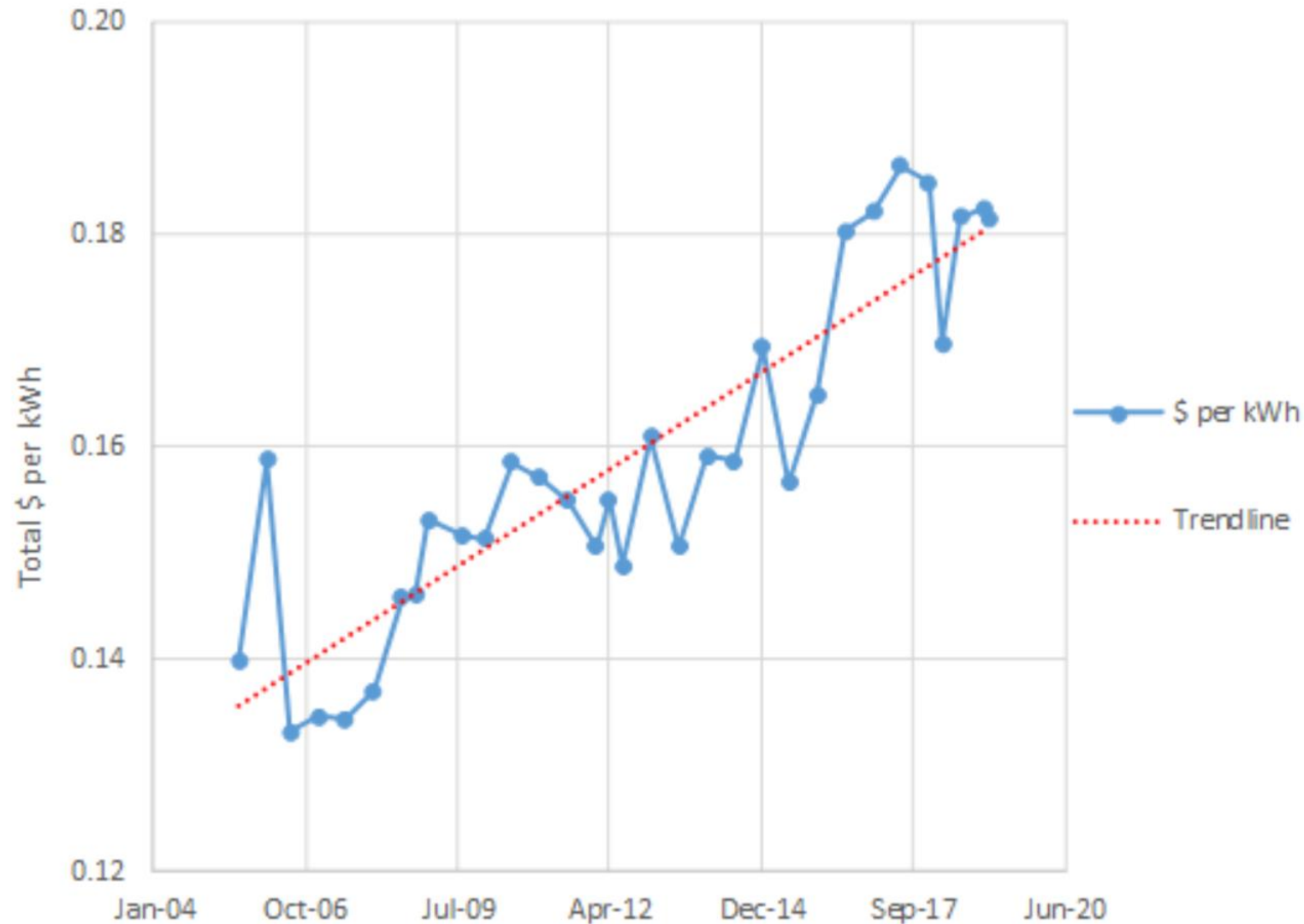


Questions/Comments

Acknowledgements: Material presented here contains contributions from many other Durham residents and Energy Committee members, including Nat Balch, Jim Lawson, Rob Sullivan, Chris Skogland, Suzy Loder, and Mandy Merrill, and thanks to the Rye Energy Committee whose presentation was the starting point for this one.

Backup Slides

Historical Electric Rates for Eversource



Trend line shows approximately 2% increase per year.
Source: NH Public Utilities Commission

Figure 1: Graph displaying the historical electric rates for Eversource from February 2005-February 2019 with a trendline.

Market Growth Projection

DEFAULT SERVICE LOAD (GWH)

