



# TOWN OF DURHAM

8 Newmarket Road  
Durham, NH 03824  
Tel: 603-868-5571  
Fax: 603-868-1858  
[www.ci.durham.nh.us](http://www.ci.durham.nh.us)

**NOTICE:** Although members of the Town Council will be meeting in the Council chambers, the Council meetings are still available for members of the public to participate via Zoom or in-person.

## **AGENDA**

**DURHAM TOWN COUNCIL**  
**MONDAY, NOVEMBER 6, 2023**  
**DURHAM TOWN HALL – COUNCIL CHAMBERS**  
**7:00 PM**

**NOTE:** *The Town of Durham requires 48 hours notice if special communication aids are needed.*

- I. Call to Order
- II. Town Council grants permission for fewer than a majority of Councilors to participate remotely
- III. Roll Call of Members. Those members participating remotely state why it is not reasonably practical for them to attend the meeting in person
- IV. Approval of Agenda
- V. Special Announcements
- VI. Public Comments (\*) – **Please state your name and address before speaking**
- VII. Report from the UNH Student Senate External Affairs Chair or Designee
- VIII. **Unanimous Consent Agenda** (*Requires unanimous approval. Individual items may be removed by any councilor for separate discussion and vote*)
  - A. Shall the Town Council approve the 4<sup>th</sup> 2023 Warrant for Water and Sewer Totaling \$697,423.78, commit the bills for charges to the Tax Collector for collection and authorize the Administrator to sign said Warrant?
  - B. Shall the Town Council approve on First Reading Ordinance #2023-08 regarding minor updates to the Town Code and schedule a Public Hearing on Monday, November 20, 2023?
  - C. Shall the Town Council authorize the Administrator to sign the Town of Durham's second half 2023 Property Tax Warrant and direct the Tax Collector to collect payment of property taxes assessed on April 1, 2023 in the amount of \$19,802,864?
  - D. Receive Eleanor Lonske's resignation from the Town Council effective March 12, 2024.

- E. Shall the Town Council, Upon Recommendation of the Administrator, Award a Contract for the Design of Fish Passage at the Oyster River Reservoir Dam (located at the UNH/Durham Water Treatment Plant), to Vanasse Hangen Brustlin, Inc. of Bedford, NH In the Amount of \$290,000, and Authorize the Administrator to Sign Associated Documents?
  - F. Shall the Town Council approve Resolution #2023-26 Requesting Administrator Selig Submit a Letter in Support of Net Metering and Proposed 2024-2026 NHSaves Program to the Public Utilities Commission?
- IX. Committee Appointments**  
Shall the Town Council, upon recommendation of the Planning Board Chair, appoint Erika Naumann Gaillat, 14 Schoolhouse Lane, to fill an Alternate Member vacancy on the Planning Board with a term expiration of April 2025?
- X. Presentation Items**  
Report from the Trustees of the Trust Funds & Cemetery Committee – Michael Everngam, Trustees Chair; Tom Bebbington, Cemetery Chair
- XI. Unfinished Business**
- A. **Public Hearing and Action** to accept a State of New Hampshire Dept. of Natural and Cultural Resources grant (Moose-Plate grant) in an amount of \$20,000 for rehabilitation of the Bickford-Chesley House at Wagon Hill Farm.
  - B. Review and possible Action regarding Council changes to the Housing Task Force Charge.
  - C. Update and consideration of action authorizing the Administrator to enter into the Cost Sharing Agreement and Member Services Contract for the Complete Service Bundle with the Community Power Coalition of New Hampshire (CPCNH) and designation of Administrator Selig as the Authorized Officer.
- XII. Approval of Minutes** – October 16, 2023
- XIII. Councilor and Town Administrator Roundtable**
- XIV. New Business**  
Initial presentation of the Administrator’s proposed FY 2024 Operating, Capital, and Special Fund Budgets and the 2024-2033 Capital Improvement Plan.
- XV. Nonpublic Session (if required)**
- XVI. Extended Councilor and Town Administrator Roundtable (if required)**
- XVII. Adjourn (NLT 10:30 PM)**

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**(\*)** *The public comment portion of the Council meeting is to allow members of the public to address matters of public concern regarding town government for up to 5 minutes. Obscene, violent, disruptive, disorderly comments, or those likely to induce violence, disruption or disorder, are not permitted and will not be tolerated. Complaints regarding Town staff should be directed to the Administrator.*



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AGENDA ITEM: **# 8A** TS

DATE: November 6, 2023

### COUNCIL COMMUNICATION

**INITIATED BY:** April Talon, Town Engineer

**AGENDA ITEM:** SHALL THE TOWN COUNCIL APPROVE THE 4<sup>TH</sup> 2023 WARRANT FOR WATER AND SEWER TOTALING \$697,423.78, COMMIT THE BILLS FOR CHARGES TO THE TAX COLLECTOR FOR COLLECTION AND AUTHORIZE THE ADMINISTRATOR TO SIGN SAID WARRANT?

**CC PREPARED BY:** April Talon, Town Engineer  
Gail Jablonski, Business Manager

**PRESENTED BY:** Gail Jablonski, Business Manager

**AGENDA DESCRIPTION:**

Attached for the Council's approval is the 4<sup>th</sup> 2023 Warrant for Water and Sewer totaling \$ 697,423.78 in accordance with RSA 38:22 II (a) which states: "A municipality may commit bills for charges to the Tax Collector with a warrant signed by the appropriate municipal officials requiring the Tax Collector to collect them." The commitment list is available for viewing in the Town Clerk-Tax Collector's Office and will be available for viewing once the warrant is approved Monday evening.

At the July 12, 2021, Town Council meeting Councilors Lawson and Welsh asked that additional information be included with all water and sewer warrants. Particularly how the warrant is calculated, what the usage was, and how it compares to the budget.

Water and/or sewer bills are issued quarterly and are based on meter readings which are taken at the beginning of each quarter (on or about January 1, April 1, July 1 and October 1). Bills are calculated on the actual cubic foot (CF) of water used for

each account. The Durham Public Works Water Division obtains the necessary readings using an automatic meter reading system and software which collects meter data including account numbers and water meter readings. This information is uploaded into the Town's utility billing software to generate the warrant. Some accounts are water only as is the case for irrigation meters or for properties that have a septic system. Some accounts are sewer only if they have a residential well. The Town obtains the total number of cubic feet used and converts it to a dollar amount using the cost per cubic foot which is determined during the budget cycle. The amount of cubic feet used can fluctuate from year to year for the same period due to changes in weather (for example when there is more rain, people use less irrigation), time of year (summer versus winter), and whether UNH is in or out of session.

The attached charts compare the actual water and sewer usage and fees for 2018 through 2022 and the first three months of 2023 compared to the budget.

**LEGAL AUTHORITY:**

RSA 38:22 II (a)

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

The warrant details are as follows:

	Water	\$ 369,813.80
Lee Waterline Extension	Water	\$ 8,263.67
	Sewer	\$ <u>319,346.31</u>
	<b>Total</b>	<b>\$ 697,423.78</b>

with interest at eight percent (8%) on all sums not paid thirty days (30) from the due date.

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**MOTION:**

*The Durham Town Council does hereby approve the 4<sup>th</sup> 2023 Warrant for Water and Sewer totaling \$697,423.78, commits the bills for charges to the Tax Collector for collection, and authorizes the Administrator to sign said warrant.*

**STATE OF NEW HAMPSHIRE**  
**WATER/SEWER – 4th WARRANT 2023**

**STRAFFORD SS**

To Rachel Dean, Collector of Water and Sewer Taxes for the Town of Durham in said County.

In the name of said State, you are directed to collect the water and sewer taxes in the list herewith committed to you, amounting in all to the sum of

*Six Hundred and Ninety-Seven Thousand, Four Hundred Twenty-Three and Seventy-Eight Cents*  
**(\$697,423.78)**

	Water \$ 369,813.80
Lee Waterline Extension Water \$	8,263.67
Sewer \$	319,346.31

**Total           \$ 697,423.78**

with interest at eight percent (8%) on all sums not paid thirty (30) days from the due date.

And we further order you to pay all monies collected to the Treasurer of said Town at least on a weekly basis.

As attested by the Town Clerk-Tax Collector, the list on the following pages is a correct list of the assessment of the 4<sup>th</sup> billing of 2023 computed from the 3<sup>rd</sup> quarter water and sewer readings of 2023.

**ATTEST:**

\_\_\_\_\_  
Rachel Deane, Town Clerk-Tax Collector

Given under our hands and seal at Durham this 16th day of October, 2023.

\_\_\_\_\_  
Todd Selig, Administrator  
Per Town Council vote on 10/16/2023

**2023 ESTIMATED VS ACTUAL USAGE**  
**January 1 - September 30, 2023**

YEARLY COMPARISONS	ESTIMATED WATER			ACTUAL WATER			VARIANCE		
	Cubic Feet (cf)	Rates per 100 cubic feet	cf/100 * Rate	Cubic Feet (cf)	Rates per 100 cubic feet	cf/100 * Rate	CF Estimate vs. Actual	\$ Estimate vs. Actual	% Estimated to Actual
2018	14,391,134	\$ 6.05	\$ 870,664	14,383,549	\$ 6.05	\$ 870,205	(7,585)	(\$459)	100%
2019	14,420,835	\$ 7.08	\$ 1,020,995	14,035,194	\$ 7.08	\$ 993,692	(385,641)	(\$27,303)	97%
2020	14,853,460	\$ 7.35	\$ 1,091,729	13,863,777	\$ 7.35	\$ 1,018,988	(989,683)	(\$72,742)	93%
2021	14,853,460	\$ 7.74	\$ 1,149,658	14,427,696	\$ 7.74	\$ 1,116,704	(425,764)	(\$32,954)	97%
2022	14,304,304	\$ 8.43	\$ 1,205,853	14,231,786	\$ 8.43	\$ 1,199,740	(72,518)	(\$6,113)	99%
2023 - 3rd Quarter	10,835,510	\$ 10.42	\$ 1,129,060	10,863,310	\$ 10.42	\$ 1,131,957	27,800	\$2,897	100%

\*Estimated for 2023 - 3rd quarter estimate is determined by multiplying total 2023 by 0.75.

YEARLY COMPARISONS	ESTIMATED WATER - LEE EXTENSION			ACTUAL WATER - LEE EXTENSION			VARIANCE - LEE EXTENSION		
	Cubic Feet (cf)	Rates per 100 cubic feet	cf/100 * Rate	Cubic Feet (cf)	Rates per 100 cubic feet	cf/100 * Rate	CF Estimate vs. Actual	\$ Estimate vs. Actual	% Estimated to Actual
2022		\$ 9.69	\$ -	71,693	\$ 9.69	\$ 6,947			0%
2023		\$ 11.98	\$ -	196,316	\$ 11.98	\$ 23,519			0%

Lee Connections through September 30, 2023

YEARLY COMPARISONS	ESTIMATED SEWER			ACTUAL SEWER			VARIANCE		
	Cubic Feet (cf)	Rates per 100 cubic feet	cf/100 * Rate	Cubic Feet (cf)	Rates per 100 cubic feet	cf/100 * Rate	CF Estimate vs. Actual	\$ Estimate vs. Actual	% Estimated to Actual
2018	13,898,594	\$ 8.96	\$ 1,245,314	13,316,231	\$ 8.96	\$ 1,193,134	(582,363)	(\$52,180)	96%
2019	13,444,655	\$ 8.71	\$ 1,171,029	13,208,897	\$ 8.71	\$ 1,150,495	(235,758)	(\$20,535)	98%
2020	13,713,549	\$ 8.97	\$ 1,230,105	12,843,156	\$ 8.97	\$ 1,152,031	(870,393)	(\$78,074)	94%
2021	13,713,549	\$ 8.97	\$ 1,230,105	13,653,420	\$ 8.97	\$ 1,224,712	(60,129)	(\$5,393)	100%
2022	13,516,701	\$ 8.98	\$ 1,213,800	13,347,445	\$ 8.98	\$ 1,198,601	(169,256)	(\$15,199)	99%
2023 - 3rd Quarter	10,238,901	\$ 9.57	\$ 979,863	10,172,517	\$ 9.57	\$ 973,510	(66,384)	(\$6,353)	99%

\*Estimated for 2023 - 3rd quarter estimate is determined by multiplying total 2023 by 0.75.

1st QUARTER ACTUALS	2018 (total cubic feet)	2019 (total cubic feet)	2020 (total cubic feet)	2021 (total cubic feet)	2022 (total cubic feet)	2023 (total cubic feet)
Water	3,593,015	3,527,540	3,241,246	3,442,141	3,409,428	3,656,574
Water - Lee Extension						63,233
Sewer	3,356,917	3,382,932	3,095,327	3,286,030	3,292,580	3,514,853

2nd QUARTER ACTUALS	2018 (total cubic feet)	2019 (total cubic feet)	2020 (total cubic feet)	2021 (total cubic feet)	2022 (total cubic feet)	2023 (total cubic feet)
Water	3,495,620	3,355,258	3,186,882	3,689,323	3,502,992	3,657,659
Water - Lee Extension						64,104
Sewer	3,255,271	3,194,670	2,862,096	3,455,094	3,298,425	3,320,712

3rd QUARTER ACTUALS	2018 (total cubic feet)	2019 (total cubic feet)	2020 (total cubic feet)	2021 (total cubic feet)	2022 (total cubic feet)	2023 (total cubic feet)
Water	3,645,321	3,448,551	3,817,406	3,412,971	3,680,587	3,549,077
Water - Lee Extension					24,319	68,979

Sewer	3,264,997	3,159,604	3,449,128	3,205,142	3,305,110	3,336,952
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4th QUARTER ACTUALS	2018 (total cubic feet)	2019 (total cubic feet)	2020 (total cubic feet)	2021 (total cubic feet)	2022 (total cubic feet)	2023 (total cubic feet)
Water	3,649,592	3,703,845	3,618,243	3,883,261	3,638,779	
Water - Lee Extension					47,374	
Sewer	3,439,047	3,471,691	3,436,605	3,707,154	3,451,330	

YEARLY TOTALS	2018 (total cubic feet)	2019 (total cubic feet)	2020 (total cubic feet)	2021 (total cubic feet)	2022 (total cubic feet)	2023 (total cubic feet)
Water	14,383,548	14,035,194	13,863,777	14,427,696	14,231,786	
Water - Lee Extension					71,693	
Sewer	13,316,231	13,208,897	12,843,156	13,653,420	13,347,445	

**2023 BUDGETED VS ACTUAL EXPENDITURES  
January 1 - September 30, 2023**

FUNDS	Budgeted Ending 9/30/23	Actual Ending 09/30/23	Under (Over) 2023	Percent as of 9/30/23	Percent as of 9/30/22
Water	\$1,129,061	\$1,131,957	(\$2,897)	100.3%	
Water - Lee Extension		\$23,519	(\$23,519)	0.0%	
Sewer	\$979,863	\$973,509	\$6,354	99.4%	

\*Budgeted is determined by multiplying total 2023 by 0.75 or 9 months



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AGENDA ITEM: **#8B TS**

DATE: **November 6, 2023**

### COUNCIL COMMUNICATION

**INITIATED BY:** Karen Edwards, Administrative Assistant

**AGENDA ITEM:** SHALL THE TOWN COUNCIL APPROVE ON FIRST READING ORDINANCE #2023-08 REGARDING MINOR UPDATES TO THE TOWN CODE AND SCHEDULE A PUBLIC HEARING FOR MONDAY, NOVEMBER 20, 2023?

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**CC PRESENTED BY:** Todd Selig, Town Administrator

**AGENDA DESCRIPTION:**

Administrative Assistant Karen Edwards did a thorough reading of the Code this year and found a few miscellaneous changes that should be made. None of the amendments entail policy changes that are not already in effect.

**LEGAL AUTHORITY:**

N/A

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

N/A

**SUGGESTED ACTION OR RECOMMENDATIONS:**

*The Durham Town Council hereby approves on First Reading (as proposed) (as amended) Ordinance #2023-08 regarding minor updates to the Town Code and schedules a Public Hearing for Monday, November 20, 2023.*

# ORDINANCE #2023-08 OF DURHAM, NEW HAMPSHIRE

MISCELLANEOUS AMENDMENTS TO THE FOLLOWING CHAPTERS OF THE TOWN CODE AS LISTED BELOW:

- CHAPTER 1, ARTICLE 1, ADOPTION OF CODE AND SECTION 1-16, VIOLATIONS & PENALTIES
- CHAPTER 23, ALCOHOLIC BEVERAGES, SECTION 23-3, VIOLATIONS AND PENALTIES
- CHAPTER 33, BICYCLES, HISTORY
- CHAPTER 38, BUILDING CONSTRUCTION, SECTION 38-7, PERMIT REQUIREMENTS
- CHAPTER 54, ELECTRICAL CODE, TABLE OF CONTENTS AND SECTION 54-24, FEES FOR ELECTRICAL PERMIT
- CHAPTER 91, PACKERS FALLS BRIDGE SITE, SECTION 91-1 DESCRIPTION OF LAND
- CHAPTER 97, PLUMBING CODE AND REGULATIONS, SECTION 97-24, FEES FOR PLUMBING PERMIT
- CHAPTER 153, VEHICLES & TRAFFIC, SECTION 153-32, PENALTIES FOR OFFENSES AND SECTION 153-43, SCHEDULE XI: STOP INTERSECTIONS
- CHAPTER 160, WATER AND SEWER RATES

WHEREAS, the Town of Durham created the Code of the Town of Durham, NH in March of 1999; and

WHEREAS, there have been many amendments made to said Code over the years; and

WHEREAS, Administrative Assistant, Karen Edwards, conducted a thorough reading of the Code and found some miscellaneous minor corrections that should be made; and

NOW, THEREFORE BE IT RESOLVED that the Durham Town Council, the governing and legislative body of the Town of Durham, New Hampshire does hereby adopt Ordinance #2023-08 and does hereby amend the following sections of the Code. Wording to be deleted is annotated with ~~strikeout~~ type. New wording is annotated with underscoring.

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## CHAPTER 1 GENERAL PROVISIONS

[HISTORY: Adopted by the Town Council of the Town of Durham March 1, 1999 as Ord. #99-01: Art. II, at time of adoption of Code (see Chapter 1, General Provisions, Art. I)]

### Article I Adoption of Code

~~[An ordinance Ordinance #99-01 adopting the Code of the Town of Durham and making certain substantive changes to existing legislation of the town as of March 1, 1999. is presently proposed before the Town Council. Upon final adoption, it will be included here as Article I of this chapter.]~~

**1-1 through 1-15. (Reserved)**

### Article II GENERAL PENALTY

[Adopted at time of adoption of Code]

#### **1-16. Violations and penalties.**

- A. Any person who violates any provision of the Durham Zoning Ordinance (Chapter 175) or any provision of the Durham Subdivision Regulations (~~Chapter 132~~) or any provision or specification of any application, plat or plan approved by or any requirement or condition of a permit or decision issued by any Durham land use board or official shall be guilty of a Chapter 1 misdemeanor if a natural person or guilty of a felony if any other person. In addition, such person shall be subject to a civil penalty not to exceed one hundred dollars (\$100.00) for each day that such violation is found to continue after the conviction date or after the date on which the violator received written notice from the Town of Durham that he is in violation, whichever is earlier.

## CHAPTER 23 ALCOHOLIC BEVERAGES

[HISTORY: Adopted by the Board of Selectmen (now Town Council) of the Town of Durham 8-29-1985 as Ordinance No. 85-05. All amendments included at time of adoption of Code].

#### **23-3. Violations and penalties.**

If any person shall violate the provisions of this chapter, he/she shall be punished by a fine ~~as set forth in Chapter 1, Article II, of this Code~~ of \$200 with increasing fines for each additional violation.

## **CHAPTER 33 BICYCLES**

[HISTORY: Adopted by the Durham Town Council 7-12-93 by Ord. #93-5. All amendments included at time of adoption of Code].

## **CHAPTER 38 BUILDING CONSTRUCTION**

### **38-7. Permit requirements.**

- A. Application form. Applications shall be filed with the Code Enforcement Officer on a form approved by the Town Administrator. The application shall contain the full name of the owner and/or his agent. It shall contain a certification that the property is not located in an unapproved subdivision. The application shall describe briefly the proposed work and give such other information as may be required to enable the Code Enforcement Officer to determine whether the proposed work complies with the provisions of this chapter.
- B. Plot plan.
  - 1. The plot plan shall accompany the application and shall show the following:
    - a. The lot dimensions and area.
    - b. The names of abutting streets.
    - c. The names of abutting property owners, with the locations of all buildings on the adjoining land within ten (10) feet of the property lines.
    - d. The dimensions of the proposed building(s).
    - e. Dimensions indicating the setbacks: front, side and rear.
    - f. The location of proposed connection(s) to the town sewer and water lines, where available, and the location of any wells on the property, abutters' wells and the proposed location of any new well and/or drainage field. State approval for construction of a septic system must be submitted with the building permit application.
    - g. The location of the proposed driveway(s).
    - h. The proposed use of the building and land.
    - i. Rights-of-way and easements on the property and adjoining lot(s).
    - j. Provision for parking and loading spaces, where applicable.
    - k. Five-foot contour lines, existing and proposed, if the Code Enforcement Officer finds that such information is necessary in order to determine whether the building can be constructed on the lot in accordance with all building and land use regulations of the Town of Durham.
  - 2. Applications for permits shall be accompanied by drawings of the proposed work drawn to scale. These drawings will show, when necessary, floor plans, sections, elevations, structural details and such other information as may be required by the Code Enforcement Officer.

- C. Driveway permit. Applications shall include an appropriate driveway permit from the state or town.
- D. Sewage/septic systems.
  1. Plans for the provision of sewage disposal facilities for business and industrial buildings in all districts and for residences and buildings not employing town facilities shall be provided. Test pits will be witnessed by the Code Enforcement Officer, and the septic plan must be approved by the Code Enforcement Officer. State approval for construction is required prior to granting the building permit.
  2. Septic systems.
    - a. No building permit shall be issued unless the applicant has first obtained approval from the Water Supply and Pollution Control Division of the New Hampshire Department of Environmental Services.
    - b. In the case of an existing system, no building addition or replacement or conversion from seasonal to year-round shall be approved in excess of the limits, as shown on the approved plans, of the in-ground disposal system. If no approved plans are on file, it will be the responsibility of the applicant to provide acceptable proof of existing system size and condition.
    - c. Permits must be obtained from the Code Enforcement Officer for any new system or for the replacement or enlargement of any existing system. New systems and replacement systems, or improved or modified systems, shall be inspected in accordance with the schedule set forth below.
  3. Application. An application for septic system approval shall be filed with the Code Enforcement Officer of the Town of Durham. This completed application shall be submitted ~~in four (4) copies~~ with one large copy of the septic plan with the following information:
    - a. The date of application.
    - b. The installation location, including the Tax Map number.
    - c. A plan showing the details of the design.
    - d. A site plan of the lot, including all dimensions, the location of the wetlands and existing structures.
    - e. The tank size.
    - f. The name and address of the contractor.
    - g. The location of the test pit within the leaching area.
    - h. Test pit inspection by the Town Code Enforcement Officer.
    - i. The applicant's name and address.
    - j. The location of any wells [also abutters within seventy-five (75) feet of the lot line] or any planned new wells.
    - k. The location of abutters' leach beds within seventy-five (75) feet of the lot line.

- I. Any other information required in WS 1002.4 and WS 1002.05.
- E. Amendments to application. Any amendments to a plan, application or other records accompanying the same may be filed at any time before completion of the work for which the permit sought is issued, upon approval by the Code Enforcement Officer. Such amendments shall be deemed part of the original application and shall be filed herewith.
- F. By whom application is made. Application for a permit shall be made by the owner or lessee of the building or structure or agent of either or by the licensed engineer or architect employed in connection with the proposed work. If the application is made by a person other than the owner in fee, it shall be accompanied by an affidavit of the owner or the qualified applicant or a signed statement of the qualified applicant witnessed by the Building Official or his designee to the effect that the proposed work is authorized by the owner in fee and that the applicant is authorized to make such application. The full names and addresses of the owner, the lessee, the applicant and the responsible officer, if the owner or lessee is a corporate body, shall be stated in the application.

## **CHAPTER 54**

### **ELECTRICAL CODE**

#### **Article I**

- 54-1. Purpose
- 54-2. Title
- 54-3. Authority
- 54-4. Electrical Code
- 54-5. Additional Requirements

#### **Article II**

- 54-6. Permit Required
- 54-7. Permit Requirements
- 54-8. Permit Applicant
- 54-9. Wiring Diagram
- 54-10. Permit Fee
- 54-11. Commencement of Work
- 54-12. Issuance of Permit
- 54-13. Time Limit of Permits
- 54-14. Assignability of Electrical Permit
- 54-15. Revocation or Lapse of Electrical Permits
- 54-16. Electrical Permit Action
- 54-17. Construction Safety Clause

#### **Article III**

- 54-18. Code Enforcement Officer Responsibilities
- 54-19. Duties of the Code Enforcement Officer

## Article IV

- 54-20. Violations
- 54-21. Stop Work Order
- 54-22. Penalties
- 54-23. Validity
- 54-24. ~~Permit~~ Fees for Electrical Permit

### ~~54-24. Fees for electrical permit.~~

- ~~A. Electrical work as part of a building permit which includes other work: All cost is included in the building permit fee.~~
- ~~B. Electrical work as stand-alone electrical project (\$10.00 minimum fee): \$10.00 plus \$15.00/\$1,000 of electrical contract price.~~

### 54-24. Fees for electrical permit.

The Town Administrator, with the advice and consent of the Town Council, shall establish the electrical permit fee schedule and it shall be included within the Town-wide Master Fee Schedule.

## CHAPTER 91

### PACKERS FALLS BRIDGE SITE

#### 91-1. Description of land.

The Packers Falls Bridge Site consists of two and three-tenths (~~2.3~~ 1) acres of land situated on the southerly side of Bennett Road and the easterly side of Packers Falls Road, on the northerly and southerly sides of the Lamprey River. The land was formerly a part of Parcels ~~17-54-0 and 17-55-0~~ 224-20, which ~~together were~~ was known as the "Lord Property."

## CHAPTER 97

### PLUMBING CODE AND REGULATIONS

#### 97-24. Fees for plumbing permit. *(This section was removed by Ord. #2013-04 dated 4/1/13)*

The Town Administrator, with the advice and consent of the Town Council, shall establish the plumbing permit fee schedule and it shall be included within the Town-wide Master Fee Schedule.

## CHAPTER 153

### VEHICLES AND TRAFFIC

#### 153-32. Penalties for offenses.

- A. The penalty for violations of this chapter, other than parking provisions, shall not exceed one hundred fifty dollars (\$150).
- B. The penalties for violation of parking provisions are as follows:
  - 1. A fine no less than ~~thirty~~ twenty-five dollars (~~\$30~~ 25.00) nor more than one hundred fifty dollars (\$150) for each violation of the Parking Prohibited at All Times (153-17), No



Stopping (153-18), No Standing (153-19), Parking Prohibited at Certain Hours (153-20), No Stopping Certain Hours (153-21), No Standing Certain Hours (153-22), Time Limited Parking (153-23) Angle Parking (153-24), Loading Zones (153-25), Taxi Stands (153-26) and Bus Stops (153-27) ordinances and Metered Parking (153-29), Business Permit Parking Areas (153-30) ordinances.

**153-43. Schedule XI: Stop intersections.**

In accordance with the provisions of 153-13, the following described intersections are hereby designated as stop intersections, and stop signs shall be installed as follows:

<b>Stop sign on</b>	<b>Direction of travel</b>	<b>At intersection of:</b>
Faculty Road	West	Thompson Lane
Oyster River Road	West	Mill Road
Thompson Lane	North	Faculty Road
Valentine Hill Road	West	Garden Lane
Valentine Hill Road	East	Thompson Lane

**CHAPTER 160**

~~**WATER AND SEWER RATES**~~

~~[HISTORY: Adopted as Ordinance #91-06 on June 3, 1991 by the Durham Town Council. Assessed higher water and sewer rates to Town residents on the water and sewer systems.]~~

~~**160-1.— Purpose and Intent.**~~

~~It is the purpose of this chapter to balance the 2002 Water and Sewer budgets by increasing the water and sewer rates of users.~~

~~**160-2.— Authorization.**~~

~~The water and sewer rates assessed on Town residents on the water and sewer systems will be adjusted as follows:~~

- ~~— A. The water assessment will increase to \$2.73 per 100 cubic feet effective January 1, 2002; and~~
- ~~— B. The sewer assessment will increase to \$3.50 per 100 cubic feet effective January 1, 2002.~~

~~*(Amended by Ordinance #2002-02 dated 2/18/02)*~~

**PASSED AND ADOPTED** by the Town Council of the Town of Durham this day of \_\_\_\_\_, **2023** by \_\_\_ affirmative votes, \_\_\_ negative votes, and \_\_\_ abstentions.

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Sally Needell, Chair  
Durham Town Council

***ATTEST:***

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Rachel Deane, Town Clerk/Tax Collector



## TOWN OF DURHAM

8 Newmarket Road  
Durham, NH 03824  
Tel: 603-868-5571  
Fax: 603-868-1858  
[www.ci.durham.nh.us](http://www.ci.durham.nh.us)

AGENDA ITEM: **#8C TS**

DATE: November 6, 2023

### COUNCIL COMMUNICATION

**INITIATED BY:** Rachel Deane, Town Clerk-Tax Collector

**AGENDA ITEM:** SHALL THE TOWN COUNCIL AUTHORIZE THE ADMINISTRATOR TO SIGN THE TOWN OF DURHAM'S SECOND HALF 2023 TAX WARRANT AND DIRECT THE TOWN CLERK-TAX COLLECTOR TO COLLECT PAYMENT OF PROPERTY TAXES ASSESSED ON APRIL 1, 2023 IN THE AMOUNT OF \$19,802,864?

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Rachel Deane, Town Clerk-Tax Collector  
Todd Selig, Administrator

**AGENDA DESCRIPTION:**

Attached for the Council's review is a draft tax warrant authorizing the Town Clerk-Tax Collector to collect payment of property taxes assessed on April 1, 2023 in the amount of \$19,802,864.

**LEGAL AUTHORITY:**

RSA 76:15-b allows the Town Council, by majority vote, the ability to adopt the provisions of RSA 76:15-a Semi-Annual Collection of Taxes.

RSA 41:35 outlines the duties for the collector of taxes.

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

N/A

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**MOTION:**

*The Durham Town Council does hereby authorize the Administrator to sign the Town of Durham's second half 2023 Tax Warrant and directs the Tax Collector to collect payment of property taxes assessed on April 1, 2023 in the amount of \$19,802,864.*

**TAX COLLECTOR'S WARRANT  
STATE OF NEW HAMPSHIRE**

Strafford ss

TO Rachel Deane, Collector of Taxes, for the Town of Durham in said  
County

In the name of said State, you are directed to collect the taxes in the list herewith  
committed to you, amount in all the sum of

**Nineteen Million, Eight Hundred & Two Thousand, Eight Hundred & Sixty-  
Four Dollars and Zero Cents**

**(\$19,802,864.00)**

with interest at eight percent (8%) beginning thirty (30) days from the mailing of  
the tax bills.

And we further order you to pay all monies collected to the Treasurer of said  
Town at least on a weekly basis when receipts exceed \$1,500.00, or more often  
when directed by the Commissioner of Revenue Administration.

As attested by the Town Clerk/Tax Collector, the list on the following pages is a  
correct list of the assessment of the County, Town, Precinct, Highway and School  
Taxes for the year 2023 upon the ratable estates in said Durham and all taxes  
assessed on the real estate in said Town of persons and corporations not  
residents therein as made by us, the Council of said Durham.

**ATTEST:** \_\_\_\_\_  
Rachel Deane, Town Clerk-Tax Collector

Given under our hands and seal at Durham this 6th day of November, 2023.

\_\_\_\_\_  
Todd I. Selig, Administrator  
Per vote of the Durham Town Council on 11/6/2023



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AGENDA ITEM: **#8D** TS  
DATE: November 6, 2023

### COUNCIL COMMUNICATION

**INITIATED BY:** Todd Selig, Administrator

**AGENDA ITEM:** RECEIVE ELEANOR LONSKE'S RESIGNATION FROM THE COUNCIL EFFECTIVE MARCH 12, 2024.

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Todd Selig, Administrator

**AGENDA DESCRIPTION:**

Eleanor Lonske has submitted her resignation to step down from the Town Council as of the next Town Election date of March 12, 2024. She has one year left of her term. Therefore, one (1-year) term position will be added to the 2024 Election Warrant in addition to the three (3-year) term positions already on the Warrant.

**LEGAL AUTHORITY:**

Section 3.5 of the Durham Town Charter.

**LEGAL OPINION:** N/A

**FINANCIAL DETAILS:** N/A

**SUGGESTED ACTION OR RECOMMENDATIONS:**

No formal action required. Receive Eleanor Lonske's resignation from the Council effective March 12, 2024.

October 23, 2023

Sally Needell, Town Council Chair  
Todd Selig, Durham Town Administrator

Dear Sally and Todd,

Because of age-related health limitations, I am writing to inform you and the Town Council of my resignation from the Durham Town Council without staying on for the third year of my term, effective as of the March 12, 2024 election and upon my successor's being sworn into office in my stead. This resignation letter will enable the Town to include the upcoming Council vacancy for my position as part of the upcoming filing and election process leading to the March 2024 election.

Very truly yours,



Eleanor D. Lonske



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AGENDA ITEM: **#8E TS**

DATE: November 6, 2023

### COUNCIL COMMUNICATION

**INITIATED BY:** Public Works Department

**AGENDA ITEM:** SHALL THE TOWN COUNCIL, UPON RECOMMENDATION OF THE ADMINISTRATOR, AWARD A CONTRACT FOR THE DESIGN OF FISH PASSAGE AT THE OYSTER RIVER RESERVOIR DAM (LOCATED AT THE UNH/DURHAM WATER TREATMENT PLANT), TO VANASSE HANGEN BRUSTLIN, INC. OF BEDFORD, NH IN THE AMOUNT OF \$290,000, AND AUTHORIZE THE ADMINISTRATOR TO SIGN ASSOCIATED DOCUMENTS?

**CC PREPARED BY:** April Talon, Town Engineer  
Richard Reine, Director of Public Works

**PRESENTED BY:** April Talon, Town Engineer  
Richard Reine, Director of Public Works

**AGENDA DESCRIPTION:**

The purpose of this Council Communication is to request the Town Council's approval to award a contract for the Design of Fish Passage at the Oyster River Reservoir Dam (located at the UNH/Durham Water Treatment Plant), to Vanasse Hangen Brustlin, Inc. of Bedford, NH In the Amount of \$290,000.

Resolution #2023-23 authorized the acceptance and expenditure of this funding from the National Oceanic and Atmospheric Administration (NOAA) Community-Based Restoration Program, for the design of a fish ladder at the Oyster River Reservoir Dam, in the amount of up to \$290,000. This installment of funding is the first to be released to the Town and it is part of the larger project funding award from NOAA. More information about the Mill Pond Dam removal and upstream fish passage

project can be found below, including the total funding requested from NOAA, goals of the project, funding amounts, and timeline.

Following the March 7, 2022 referendum vote, Durham Public Works began investigating potential grant programs with the overall goal of securing funding to pay for a majority of the project costs.

In November 2022, Durham Public Works and the Town's consultant VHB Engineers, submitted an extensive \$3,537,201 grant application package titled, "Restoration of the Oyster River Herring Run through Removal of the Mill Pond Head-of-Tide Dam and Installation of Fish Passage on the Oyster Reservoir Dam, Durham, NH," to NOAA as part of their funding opportunity titled Restoring Fish Passage through Barrier Removal under the Infrastructure and Jobs Act (IIJA).

Major goals of the project include 1) Advance restoration efforts for diadromous fish populations by eliminating a barrier to upstream fish passage, 2) Improve the Oyster River's declining water quality and strengthen the Oyster River's natural ecosystem, 3) Increase the Oyster River's flood resilience and reduce Durham's vulnerability to the growing risk of coastal storms, 4) Increase public safety by eliminating unsafe dam infrastructure.

A head-of-tide dam, the Mill Pond Dam is the lowest barrier in the Oyster River watershed, located approximately 2.9 miles from the river's discharge into the Great Bay. Historically, the river herring returns to the Oyster River have been one of the highest yearly returns among all coastal rivers monitored by New Hampshire Fish and Game Department (NHFGD). However, the numbers of returning river herring have been declining since 1990 and are now less than 5% percent of those seen at the peak from 1990-1992. This decline is largely attributed to a decrease in water quality and water levels along the river and throughout Mill Pond, as well as impediments to downstream migration. Removing the Mill Pond Dam and installing a new fish ladder at the Oyster Reservoir Dam, the next upstream barrier, would substantially contribute to the restoration of this important fish run. Other sea-run species that could benefit from unobstructed passage include the Oyster River's declining American eel population and brook trout. Rainbow smelt, as head-of tidespawners, would also likely reap significant benefits from dam removal.

In the spring of 2023, the Town was formally notified that NOAA accepted the Town's full proposal for \$3,537,201. This grant program does not require a match commitment. NOAA has indicated that the remaining construction funding of approximately \$3.2M for FY24 (Mill Pond Dam Removal and River Restoration) and FY25 (Oyster Reservoir Dam fish passage) will be released when the final designs and cost estimates have been further developed.



Data collection, final design, environmental permitting, and Section 106 consultation efforts began in May 2022 and are expected to be completed by early 2024. The Implementation Start Date (i.e., removal of the dam and restoration of the river channel) would be spring/summer 2024, with removal of the dam and restoration of the river expected to be completed by October 2024. Installation of the fishway at the Oyster Reservoir Dam is expected to occur in 2025.

**LEGAL AUTHORITY:**

N/A

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

\$290,000 in FY23 monies to be received from NOAA Community Based Restoration Program for the design of Fish Passage at the Oyster Reservoir Dam (Located at the UNH/Durham Water Treatment Plant)

NOAA has indicated that the remaining construction funding of approximately \$3.2M for FY24 (Mill Pond Dam Removal and River Restoration) and FY25 (Oyster Reservoir Dam fish passage construction) will be released when final designs and cost estimates have been further developed.

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**MOTION:**

*The Durham Town Council does hereby, Upon Recommendation of the Administrator, Award a Contract for the Design of Fish Passage at the Oyster River Reservoir Dam (located at the UNH/Durham Water Treatment Plant), to Vanasse Hangen Brustlin, Inc. of Bedford, NH In the Amount of \$290,000, and Authorize the Administrator to Sign Associated Documents.*



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AGENDA ITEM: **#8F** *TS*

DATE: November 6, 2023

### COUNCIL COMMUNICATION

**INITIATED BY:** Em Friedrichs, Councilor

**AGENDA ITEM:** SHALL THE TOWN COUNCIL APPROVE RESOLUTION #2023-26 REQUESTING ADMINISTRATOR SELIG SUBMIT A LETTER IN SUPPORT OF NET METERING AND PROPOSED 2024-2026 NHSAVES PROGRAM TO THE PUBLIC UTILITIES COMMISSION?

**CC PREPARED BY:** Em Friedrichs, Councilor

**PRESENTED BY:** Em Friedrichs, Councilor

**AGENDA DESCRIPTION:**

Durham has committed as a community to reducing its greenhouse gas emissions 42.5% by 2030 through its membership in the Global Covenant of Mayors.

Over 90% of our [community's emissions](#) originate in the built environment and transportation sectors, and the 2022 Climate Action Plan [adopted by the Town Council](#) stresses promoting energy efficiency in buildings, transitioning to electric vehicles, and increasing the town's use of renewable energy sources.

**NET METERING:**

The PUC has expressed concerns about the current net metering system. NH utilities has [replied](#) that customer participation in net metering has nearly tripled in the last year, and that "Current net metering tariffs are effectively supporting opportunities for New Hampshire customers to install distributed generation resources that *reduce customer costs and contribute incremental sources of renewable energy* to the New Hampshire generation mix."

Thus, net metering is an important strategy for increasing the town's use of renewable energy sources and has also provided significant taxpayer savings since the Town's significant solar installations participate in net metering.

**NH SAVES:**

In terms of energy efficient buildings, the [proposed](#) 2024-2026 NHSaves Program will “lead to a reduction of more than 2.0 million tons of GHG emissions, the equivalent of taking more than 436,000 passenger vehicles off the road for one year.” The plan will provide NH municipalities with lifetime savings of 98,878,987 kWh plus 272,988 MMBtu, as well as customer cost savings of more than \$675 million. The plan also identifies several measures directly in line with strategies identified by Durham’s Energy Committee and the Town’s Climate Action Plan, as NH Utilities state in their proposal:

“We will strive to remove all remaining electric baseboard heating in the state and replace it with high efficiency air source heat pump systems. We will also target for replacement all inefficient window air conditioning units and continue to develop offerings that better serve moderate-income customers...NH Utilities are willing partners in leveraging external sources of funding for the Weatherization Assistance Program, the Better Buildings Program, and other energy-related initiatives at the state and federal levels.”

Per [HB549](#) signed into law in 2022, the PUC must **approve or deny the current proposal no later than November 30, 2023**. If the commission denies a 3-year plan or interim program update, the most recent 3-year plan, as updated, shall remain in effect until the commission approves proposed changes to that plan or program update filing. The 2024-2026 NH Saves Energy Efficiency Program would provide increased benefits to residents and further our community’s emissions-reduction goal versus the most recent 3-year plan.

**LEGAL AUTHORITY:**

N/A

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

N/A

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**MOTION:**

*The Durham Town Council does hereby adopt Resolution #2023-26 (as presented) (as amended) requesting that Administrator Selig submit a letter in support of Net Metering and Proposed 2024-2026 NHSaves Program to the Public Utilities Commission.*

## **RESOLUTION #2023-26 OF DURHAM, NEW HAMPSHIRE**

### **REQUESTING ADMINISTRATOR SELIG SUBMIT A LETTER IN SUPPORT OF NET METERING AND PROPOSED 2024-2026 NHSAVES PROGRAM TO THE PUBLIC UTILITIES COMMISSION**

**WHEREAS**, through joining the Global Covenant of Mayors, Durham as a community has committed to reducing its greenhouse gas emissions 42.5% by 2030; and

**WHEREAS**, over 90% of our community's emissions originate in the built environment and transportation sectors; and

**WHEREAS**, the 2022 Climate Action Plan adopted by the Town Council stresses promoting energy efficiency in buildings, transitioning to electric vehicles, and increasing the town's use of renewable energy sources; and

**WHEREAS**, current net metering tariffs reduce taxpayer and customer costs and contribute sources of renewable energy in Durham; and

**WHEREAS**, the proposed 2024-2026 NH Saves Energy Efficiency Program would provide increased benefits to Durham residents and further our emissions-reduction goals;

**NOW, THEREFORE, BE IT RESOLVED**, that the Durham Town Council, the governing and legislative body of the Town of Durham, New Hampshire, does hereby adopt Resolution #2023-26 requesting that Administrator Selig submit a letter of support for the current net metering tariffs and the proposed triennial energy efficiency plan to the NH Public Utilities Commission.

**PASSED AND ADOPTED** this 6th day of November 2023 by a majority vote of the Durham Town Council with \_\_\_\_\_ voting in favor, \_\_\_\_\_ voting against, and \_\_\_\_ abstentions.

---

Sally Needell, Chair  
Durham Town Council

**ATTEST:**

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Rachel Dean, Town Clerk-Tax Collector



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AGENDA ITEM: **#9** *TS*

DATE: November 6, 2023

### COUNCIL COMMUNICATION

**INITIATED BY:** Erika Naumann Gaillat, 14 Schoolhouse Lane

**AGENDA ITEM:** SHALL THE TOWN COUNCIL, UPON RECOMMENDATION OF THE PLANNING BOARD CHAIR, APPOINT ERIKA NAUMANN GAILLAT, 14 SCHOOLHOUSE LANE, TO FILL AN ALTERNATE MEMBER VACANCY ON THE PLANNING BOARD WITH A TERM EXPIRATION OF APRIL 2025?

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Todd Selig, Administrator

**AGENDA DESCRIPTION:**

Attached for the Council's information and consideration is an application for board appointment submitted by Erika Naumann Gaillat, requesting appointment as an alternate member to the Planning Board.

Ms. Gaillat has attended at least one meeting of Planning Board and has spoken with Chair, Paul Rasmussen. Attached for the Council's information is Chair Rasmussen's endorsement of Ms. Gaillat's appointment. Also attached is a listing of Planning Board membership including this proposed addition.

Ms. Gaillat will attend Monday night's Council meeting relative to her request for appointment.

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

N/A

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**MOTION:**

*The Durham Town Council does hereby, upon recommendation of Planning Board Chair, appoint Erika Naumann Gaillat, 14 Schoolhouse Lane, to fill an alternate member vacancy on the Planning Board with a term expiration of April 2025.*



## Town of Durham

8 Newmarket Road  
Durham, NH 03824-2898  
Tel: 603/868-5571  
Fax 603/868-1858  
jberry@ci.durham.nh.us

### Application for Board Appointment

Type of Appointment and Position Desired (Please select only one):

New appointment/regular member       New appointment/alternate member   
Reappointment/regular member       Reappointment/alternate member

**NOTE:** New applicants are asked to attend AT LEAST ONE meeting, as well as to meet separately with the Chair(s) of the committee(s) to which they are applying, prior to submitting an application for appointment.

Applicant has:

ATTENDED A MEETING  
 SPOKEN WITH CHAIR/V CHAIR  
 BEEN RECOMMENDED FOR MEMBERSHIP

Name: Erika Naumann Gaillat

Date: 10/3/23

Address: 14 Schoolhouse Lane, Durham, NH 03824 Unit #1

E-Mail Address: ENAUMANNGAILLAT@GMAIL.COM

Telephone: 269-903-6801

Board/Commission/Committee to which you are interested in being appointed. (Please list in order of preference, if interested in more than one appointment).

1. Durham Planning Board

2.

3.

Are you willing to attend ongoing educational sessions offered by the New Hampshire Municipal Association, Strafford Regional Planning Commission, et al, and otherwise develop skills and knowledge relevant to your work on the board/committee?  YES  NO

(Over)

Please provide a brief explanation for your interest in appointment to a particular board, commission or committee: I'm interested in joining the Planning Board as I want to take on a more active role in Durham's ongoing development. I see this as an opportunity to become an active citizen in shaping Durham's future.

Please provide brief background information about yourself:

I moved to Durham approximately one year ago I have a full time job in drug product formulation and development. My husband is a professor at UNH.

Please provide below the names and telephone numbers of up to three personal references:

Name: Michael Behrendt Telephone: 603-868-8064

Name: Telephone:

Name: Telephone:

\*\*\*\*\*

Thank you for your interest in serving the Town. Please return this application, along with a resume, if available, to: Town Administrator, 8 Newmarket Road, Durham, NH 03824, or email Karen Edwards at [kedwards@ci.durham.nh.us](mailto:kedwards@ci.durham.nh.us).

**From:** [paul.rasmussen](#)  
**To:** [Karen Edwards](#)  
**Subject:** Re: Erika Naumann Gaillat application  
**Date:** Friday, October 13, 2023 11:44:33 AM

---

I have spoken with Erika Naumann Gaillat and look forward to having her to the Planning Board.

Paul Rasmussen  
Planning Board Chair

On Fri, Oct 13, 2023, 10:37 AM Karen Edwards <[kedwards@ci.durham.nh.us](mailto:kedwards@ci.durham.nh.us)> wrote:

Paul,

I received an application from Erika Naumann Gaillat to become an alternate on the Planning Board. She indicated that she attended a meeting and spoke with you. Please send me a recommendation for her appointment. It will be before the Town Council on November 6.

Karen

*Karen Edwards*

Administrative Assistant

Administrator's Office

Town of Durham

8 Newmarket Road

Durham, NH 03824

(603) 868-5571

[www.ci.durham.nh.us](http://www.ci.durham.nh.us)

She/her/hers



## PLANNING BOARD

OFFICIAL/BOARD	ADDRESS	PHONE	EMAIL	TERM	EXPIRES	APPT. AUTH.
Paul Rasmussen, <b>Chair</b>	5 Glassford Lane	603-397-5359	<a href="mailto:pnrasmus@gmail.com">pnrasmus@gmail.com</a>	3 Yrs	4/26	Council
Heather Grant, <b>v. Chair</b>	7 Emerson Rd.	603-285-2913	<a href="mailto:hcgrant51@gmail.com">hcgrant51@gmail.com</a>	3 Yrs	4/24	Council
Peyton McManus, <b>Sec.</b>	54 Ross Road	603-479-3764	<a href="mailto:peyton_mcmanus@yahoo.com">peyton_mcmanus@yahoo.com</a>	3 Yrs	4/25	Council
Richard Kelley	5 Garden Ln.	603-767-9795	<a href="mailto:richard.kelley@hdrinc.com">richard.kelley@hdrinc.com</a>	3 Yrs	4/25	Council
William McGowan	135 Packers Falls Rd.	603-396-2032	<a href="mailto:wfmcg@icloud.com">wfmcg@icloud.com</a>	3 Yrs	4/24	Council
Sally Tobias	107 Madbury Road	603-397-0802	<a href="mailto:sally.tobias@me.com">sally.tobias@me.com</a>	3 Yrs	4/26	Council
Chris McClain, <b>Alt.</b>	54 Edgewood Road	603-969-6435	<a href="mailto:chris@mcclainsells.com">chris@mcclainsells.com</a>	3 Yrs	4/26	Council
Tom DeCapo, <b>Alt.</b>	315 Durham Point Road	917-859-4848	<a href="mailto:tdc.decapo@gmail.com">tdc.decapo@gmail.com</a>	3 Yrs	4/26	Council
Erika Naumann Gaillet, <b>Alt.</b>	14 Schoolhouse Lane	269-903-6801	<a href="mailto:enaumanngaillet@gmail.com">enaumanngaillet@gmail.com</a>	3 Yrs	4/25	Council
<b>VACANT, Alt.</b>				3 Yrs	4/25	Council
<b>VACANT, Alt.</b>				3 Yrs	4/24	Council
Emily Friedrichs, <b>Cncl Rep</b>	18 Garden Lane	603-706-8174	<a href="mailto:emilyfriedrichs@gmail.com">emilyfriedrichs@gmail.com</a>	1 Yr	3/24	Council
Chuck Hotchkiss, <b>Alt Cncl Rep</b>	2 York Drive	603-868-1028	<a href="mailto:chuckhotchkiss@gmail.com">chuckhotchkiss@gmail.com</a>	1 Yr	3/24	Council



# TOWN OF DURHAM

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AGENDA ITEM: **#10** TS  
DATE: November 6, 2023

## COUNCIL COMMUNICATION

**INITIATED BY:** Todd Selig, Administrator

**AGENDA ITEM:** RECEIVE ANNUAL REPORT FROM THE TRUSTEES OF THE TRUST FUND – MIKE EVERNGAM, CHAIR AND FROM THE CEMETERY COMMITTEE – TOM BEBBINGTON, CHAIR

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Mike Everngam, Chair, Trustees of the Trust Fund  
Tom Bebbington, Chair, Cemetery Committee

### **AGENDA DESCRIPTION:**

Section 11.1 (I) of the Durham Town Charter used to require that the Town Council meet annually with all Chairpersons of standing Town committees to review significant actions taken by the committees, projects currently under discussion, and anticipated activities for the coming year. At the March 10, 2020 Town Election, Charter amendment (Article 16 on the ballot) was adopted which amended the language within this section to now read:

- I. *On an annual basis, Chairs of the Town of Durham committees will be provided the opportunity to present to the Town Council any significant actions or projects taken by their respective committee. This report can be in the form of a written summary or a formal presentation. No action is required if there is nothing of significance to report, although the Town Council can ask for a presentation if there is interest.*

Mike Everngam & Tom Bebbington have been invited to attend Monday night's Town Council meeting to provide brief updates to Council members regarding the Trustees of the Trust Fund and Cemetery Committee's current activities.

### **LEGAL AUTHORITY:**

Section 11.1 (I) of the Durham Town Charter.

**LEGAL OPINION:** N/A

**FINANCIAL DETAILS:** N/A

### **SUGGESTED ACTION OR RECOMMENDATIONS:**

No formal action required. Receive presentations from Trustees of the Trust Fund Chair, Mike Everngam and from Cemetery Committee Chair, Tom Bebbington, and hold question and answer session if desired.

## Trustees of the Trust Fund

By Michael Everngam, Chair

Members: Tom Bebbington, Michael Everngam, Chair, Theodore Howard, Albert Manalo, Alternate

### 2023 Accomplishments:

- Operation of Investment Account:
  - Portfolio Income from reserve and trust investments for 2022 was \$108,475.25, a yield to the end-of-year market value of 2.39%. Part of this income was spent for the purposes of the various reserves and trusts, and the remainder was accumulated to the balances of the reserves and trusts. The income for 2023 is estimated to be greater than last year's by \$40,000.
  - Market value of securities held at year-end 2022 decreased by \$96,272.91 to \$4,529,652.91, a decrease of 2.08% over the 2021 year-end, which is market change offset by a net increase in deposits to reserves and trusts. The market value of the portfolio on 30 September 2023 was \$4,839,861.41. Presuming a continuing negative news environment, we are at some risk for a decrease in market value. During the year 2023 the equity exposure of the portfolio was decreased in response to concern for the impact of rising interest rates and market turbulence, and to increase exposure to higher paying fixed income investments.
  - A more detailed report on the Town's Reserves and Trusts is in the financial section of the Town annual report. The Trustees have adopted a conservative investment policy (posted on the Trustee's web page) with the primary goal of preserving the ability to carry out the purposes of the Town's reserves and trusts.
- Improvements at Doe Farm: We continue to be part of the Land Stewardship Sub-Committee, which is managing the Town's conservation interests, including Doe Farm. Annual improvements are planned and carried out by the Land Stewardship Coordinator. The work on invasive species removal continues. (Continuing)
- Transparency Efforts: The Trustees have maintained a good record of timeliness in posting agendas and minutes. We have generally been able to respond promptly to communications from residents. We meet on the 4<sup>th</sup> Friday of each month at 8:30 AM. (Continuing)
- Improved Record Keeping: We continue reviewing records to winnow unnecessary documents, and to maintain those that explain how, when, and why the various funds in our custody were established and investment performance reports. (Continuing)
- Investment Policy: The Trustees adopted the present policy during our 25 March 2022 meeting. As required by law, the Trustees forwarded the present policy to

OVER

the New Hampshire Attorney General's office. (See Trustee's web page for the policy).

- Internal Controls Policy: This policy was reviewed and re-adopted at our September 2023 meeting. Changes in the NH DOJ policy will necessitate further revision to this policy soon. (See Trustee's web page for the policy).
- Investment Holdings: Monthly statements listing all holdings are on file in the Town Business office and are also available to view from any Trustee.
- Alternate Trustee Appointment: Mr. Alfredo Manalo was appointed as an Alternate Trustee. There is one vacant Alternate Trustee position vacant as of year-end.

#### **Goals for 2024:**

1. We will seek to continue our efforts to be prudent custodians of the funds entrusted to us, while seeking the best possible returns on the investment of these funds.
2. We will seek ways to maintain and improve our inter-relationships with Town departments and related Committees, Commissions, and Boards.
3. We will continue to work on those projects/issues which are marked as "continuing" above.
4. We will seek potential future alternate Trustees to assure continuity in Trustee membership. As the year begins, one alternate position is vacant. Ensuring succession is critical to the future administration of the Town's Reserves and Trusts.
5. We will continue work to create a trust fund to help finance the Town's celebration of its 300<sup>th</sup> Anniversary.
6. We will review the existing trust funds to determine if some funds can be consolidated to simplify management.
7. We will continue to participate in the management of Doe Farm as a member of the LSSC.



## TOWN OF DURHAM

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AGENDA ITEM: **#11A** TS

DATE: **November 6, 2023**

### COUNCIL COMMUNICATION

**INITIATED BY:** Carolyn Signer, HDC Member

**AGENDA ITEM:** PUBLIC HEARING AND ACTION TO ACCEPT A STATE OF NEW HAMPSHIRE DEPT. OF NATURAL AND CULTURAL RESOURCES GRANT (MOOSE-PLATE GRANT) IN AN AMOUNT OF \$20,000 FOR REHABILITATION OF THE BICKFORD-CHESLEY HOUSE AT WAGON HILL FARM.

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Carolyn Singer, HDC Member

**AGENDA DESCRIPTION:**

The 139-acre Wagon Hill Farm (WHF) was one of the first farms in the area established by European settlers, it has been owned by just three families, and remained in constant agricultural use for almost three hundred years. Located on US Route 4 in Durham, the farm is easily recognizable by a farm wagon on the hill silhouetted against the sky. The expansive farmland and its Bickford-Chesley Farmhouse aptly illustrate the continuum of NH agriculture. The Bickford-Chesley House is an excellent example of Federal-era rural architecture in NH's Seacoast Region. WHF is recognized by Durham residents (and beyond) as an important community resource, heavily used for recreation, community gardens, and river access for water activities.

The Bickford-Chesley House is situated on one of the last remaining intact large historic parcels of open land. Natural resources include the Oyster River, open fields, forestland, and salt marshes. Cultural resources include probable archaeological sites (Indigenous artifacts have been found on-site), foundation of the 17th century Davis Garrison House, an unlocated mass burial site (1704), a family burial ground (1749-1788), frontage on the First NH Turnpike (1800-1803), boat

landing/wharf on the Oyster River, an orchard, remains of a barn and cider mill, and Chesley's Grove, the site of 1920's Durham Day picnics (revived in the 1970's). The remains of a District Schoolhouse are also located on the western edge of the property, north of US Route 4.

In 2020 Arron Sturgis completed an "Existing Conditions Assessment" on the Bickford-Chesley House to document items needing immediate repair. Focused primarily on timber framing and the exterior envelope, the document needed to be expanded to address our future planning requirements. "Poor choices, neglect, and delay have almost ruined the Wagon Hill farmhouse (Bickford-Chesley House)." "You have lost the barn, you have lost the first-floor frame, you will lose the rest of the house if no action is taken." Arron Sturgis, January 28, 2020.

In 2021, the Town requested and received \$13,500 in support from LCHIP for a more expansive and complete Historic Building Conditions Assessment of the Bickford-Chesley House, April 2022, by Steven C. Mallory, Architectural Conservator, Beacon Street Home Inspection, and Structures North.

Once rehabilitated, the Bickford-Chesley House will support small gatherings/meetings/exhibit space on the first floor; a public kitchen/restrooms in the ell (for community events in the adjacent newly rebuilt barn - not part of LCHIP project). A Caretaker's apartment is planned for the 2nd floor. The new space will host temporary exhibits/programs on topics of general interest: Indigenous life/Durham history/history of enslaved individuals/evolving land use/student projects/& the work of contemporary local artists (photographs, paintings, ceramics, fiber arts, etc.).

Preservation of the Bickford-Chesley House aligns with Durham's 2015 Master Plan and approved 2023/24 Town Council goals where specific recommendations (including scope of work/firm pricing/funding plan) were identified.

Planned uses of the house focus on educational programming/exhibits (art/history/environment) and were conceived to strengthen collaboration with the community, local artists, environmentalists, & the Durham Historical Association.

The current Moose-Plate grant funds will go towards the exterior rehabilitation of the Bickford-Chesley House, including moisture mitigation and first floor interior rehabilitation. All work is to adhere to the Secretary of the Interior's Standards for Rehabilitation.

At its meeting on October 16, 2023, the Town Council scheduled a Public Hearing on this item for its meeting on Monday, November 6, 2023. A Public Hearing notice was published in *Foster's/Seacoast Online* on Friday, October 20, 2023. The notice was also

posted on the outside bulletin board at the Town Hall, as well as at the Durham Public Library and Department of Public Works.

**LEGAL AUTHORITY:**

N/A

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

This grant is part of a larger amount requested through a grant application to LCHIP. There has not yet been a decision by LCHIP on the additional grant monies.

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**MOTION#1:**

*The Town Council does hereby OPEN the Public Hearing to Accept a State of New Hampshire Dept. of Natural and Cultural Resources grant (Moose-Plate grant) in an amount of \$20,000 for rehabilitation of the Bickford-Chesley House at Wagon Hill Farm.*

**MOTION#2:**

*The Town Council does hereby CLOSE the Public Hearing to Accept a State of New Hampshire Dept. of Natural and Cultural Resources grant (Moose-Plate grant) in an amount of \$20,000 for rehabilitation of the Bickford-Chesley House at Wagon Hill Farm.*

**MOTION#3:**

*The Town Council does hereby APPROVE the motion to Accept a State of New Hampshire Dept. of Natural and Cultural Resources grant (Moose-Plate grant) in an amount of \$20,000 for rehabilitation of the Bickford-Chesley House at Wagon Hill Farm.*



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AGENDA ITEMS: **#11B** TS  
DATE: November 6, 2023

### COUNCIL COMMUNICATION

**INITIATED BY:** Durham Housing Task Force

**AGENDA ITEM:** REVIEW AND POSSIBLE ACTION REGARDING COUNCIL CHANGES TO THE HOUSING TASK FORCE CHARGE.

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Jim Lawson, Town Councilor

**AGENDA DESCRIPTION:**

At the October 2, 2023 Town Council Meeting, Housing Task Force member Paul Rasmussen presented a revised charge for the Housing Task Force. The original impetus for the changes was a request from Janet Perkins-Howland, member of the Durham Human Rights Commission. Ms. Perkins-Howland suggested changing the mission statement to be more inclusive and cover future residents as well as current residents and to include those of varying financial resources. She also suggested including language about equitable housing approaches.

The Town Council had extensive discussion around the issue of amending the statement. It was suggested that Councilors Lawson, Welsh, Friedrichs, and Hotchkiss amend the statement and then submit it to the Council for re-consideration.

**LEGAL AUTHORITY:**

The Charter of the Town of Durham Section 11.1(G) gives authority to the Town Council to establish advisory boards and task forces as it sees fit to help carry out the work of the Town.

**LEGAL OPINION:**

Not applicable

**FINANCIAL DETAILS:**

Not applicable

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**Motion:**

*The Town Council hereby adopts the charge for the Housing Task Force as amended until October 2, 2025.*





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### **Durham Housing Task Force Charge**

**Adopted by the Durham Town Council on April 17, 2023**

*\*Changes Recommended by the Housing Task Force on September 11, 2023\**

*\*Changes Discussed by the Town Council\**

*Proposed additions are shown like this*

~~*Proposed deletions are shown like this*~~

~~*Mission. The mission of the Durham Housing Task Force is to identify, analyze, and advocate for a balanced and diverse supply of housing that meets the economic, social, and physical needs of the Durham community and its residents in order to maintain a vibrant community.*~~

~~*Mission. The mission of the Durham Housing Task Force is to analyze the local housing inventory and to advocate for a balanced housing mix with a variety of choices that meet the economic, social, and physical needs of current and future residents of varying financial resources.*~~

*Mission: The mission of the Durham Housing Task Force is to analyze the Seacoast housing inventory and to advocate for a balanced housing mix within the Durham community, providing a variety of choices that meet the economic, environmental, social, and physical needs of the community's current and future residents, including those of varying financial resources.*

**Membership.** Members of the committee include:

- One Planning Board member (ex-officio)
- One Town Councilor (ex-officio)
- Eight other members from relevant stakeholder populations, to include a mix of ages, occupations, and interests in Durham's housing future (to the extent possible)

Members of the Housing Task Force (other than the ex-officio Planning Board member) shall be appointed by the Durham Town Council. Members shall be residents of the town of Durham.

Members shall serve continuously until such time as the Task Force is sunsetted by the Durham Town Council or three years, whichever is sooner.

In addition to the ten voting members, the Task Force shall engage regional housing advocates as non-voting participants from organizations such as Strafford Regional Planning Commission, the Seacoast Workforce Housing Coalition, regional real estate market data analysts, developers, and other subject matter experts as the Task Force sees fit.

Meetings of the Housing Task Force shall be attended by the Town Planner. Meetings of the Housing Task Force may be televised.

**Duties.** The duties of the Housing Task Force shall be to:

- Assess the type, availability and cost of existing housing in Durham and in the Seacoast region;
- Assess and advise on whether the Town of Durham is in compliance with NH state statutes in providing a requisite number of workforce housing units and how potential or adopted legislation impacts housing in Durham;
- Assess available buildable lots in Durham under different Zoning scenarios;
- Track new housing starts including type and number of units;
- Analyze community demographics and trends;
- Assess the environmental, economic, and tax impacts of recommended zoning changes impacting housing;
- Understand the predicted impacts of climate change, including those outlined in the Climate Action Chapter of the Master Plan, in order to identify areas where housing development would be ill-advised;
- Conduct a housing needs assessment, including price point, type, and supply;
- Develop long-term strategies regarding housing;
  - **Encourage Advocate for** housing that is consistent with our existing commitment to the Global Covenant of Mayors for Climate and Energy – including both to “evaluate zoning changes that allow for a broader variety of modestly sized, affordably priced energy efficient housing-” and “to reduce single occupancy miles traveled.”
  - **Encourage Advocate for** housing to accommodate households at all stages of the life-cycle.
  - **Encourage Advocate for** housing designed to accommodate ~~currently underserved household types~~ **underserved households. including identifying and incorporating state and federal incentives that enable its development.**
- Identify state and federal incentives that enable appropriate development;
- Contribute to the update of the housing chapter of the Master Plan;
- Advise Town boards and committees regarding available housing and potential future housing needs for the Town of Durham;
- Inform relevant Town boards and committees on housing issues in the community;
- Review regional housing patterns in comparison to Durham and assess the contributions of Durham and other communities to regional housing needs over the past 15 years;

- Communicate with members of the community about housing in Durham;
- Focus on changes that serve to retain and enhance the **semi-rural** character, ethos, and vibe of Durham as a small **quintessentially** **quintessentially** New England **academic** **academic** community that places a high value on:
  - education,
  - the environment,
  - history,
  - agricultural roots,
  - **unusual** closeness to nature, **and**
  - the principles of smart growth~~-,~~ **and**
  - **diversity. and equity**
- Publish an annual report on the state of housing in Durham to be included in the Town Report



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AGENDA ITEM: **#11C** *TS*

DATE: November 6, 2023

### COUNCIL COMMUNICATION

**INITIATED BY:** Steve Holmgren

**AGENDA ITEM:** UPDATE AND CONSIDERATION OF ACTION AUTHORIZING THE ADMINISTRATOR TO ENTER INTO THE COST SHARING AGREEMENT AND MEMBER SERVICES CONTRACT FOR THE COMPLETE SERVICE BUNDLE WITH THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE (CPCNH) AND DESIGNATION OF ADMINISTRATOR SELIG AS THE "AUTHORIZED OFFICER".

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Steve Holmgren

**AGENDA DESCRIPTION:**

The Town Council at its September 27, 2021, meeting unanimously authorized the Administrator to sign a Joint Powers Agreement and join the Community Power Coalition of New Hampshire (CPC-NH). By doing so, Durham joined other New Hampshire towns and cities in the effort to develop and implement Community Power Aggregation. The council also appointed a representative and alternate to the CPC-NH Board of Directors, which are currently held by Steve Holmgren and Todd Selig, respectively.

The Durham Community Power Plan was adopted by the Town Council on October 3<sup>rd</sup>, 2022 and approved by the Public Utilities Commission on December 12<sup>th</sup>, 2022.

Implementation of Durham Community Power may proceed subsequent to Town Council adoption of agreements with CPCNH and approval of policies governing risk management, rate setting, and accrual and use of financial reserves associated with the program. Town Council approval of these policies and agreements delegates authority to CPCNH to provide comprehensive services for energy procurement, retail data

Re: Consideration of and action on the Durham Community Power Electric Aggregation Plan

management and billing, customer service, and other services necessary to launch and administer Durham Community Power.

The Cost Sharing Agreement ensures fair and proportional cost sharing among CPCNH Members. It establishes a menu of services Members may select from, defines categories of costs, requires monthly cost reporting, and provides operational clarity to all parties. By adopting the Cost Sharing Agreement and Exhibit C, Member Services Contract for the Complete Service Bundle, a town selects CPCNH to provide comprehensive Community Power services. The Risk, Rates, and Reserves policies ensure financial safeguards in power procurement, describe how electric rates are set, and establish targets for accrual of financial reserves and how they may be used by and on behalf of Members.

Under the Cost Sharing Agreement, a town selects an “Authorized Officer” to act on their behalf to instruct and authorize CPCNH on certain matters. The governing body may grant the Authorized Officer the authority to:

- (a) Elect to delay commencing procurement;

The Town Council may delegate to an Authorized Officer the authority to attend the “go/no-go” meeting of the CPCNH Risk Management Committee and during the meeting elect to delay commencing procurement.

- (b) Specify default and optional products;

The Town Council may retain the authority to select as their “default energy product” either (a) “Granite Basic” with the minimum allowable renewable energy content of 24.3% in 2024; or (b) “Granite Plus” with an additional 10% renewable energy. Alternatively, the Member Service Agreements allows that the Town Council may delegate this authority to the Authorized Officer.

- (c) Set Discretionary Reserve adders.

The Town Council may either retain the authority to set Discretionary Reserve adders, or delegate the authority to the Authorized Officer.

Approvals at this stage will position Durham to launch its Community Power Program through CPCNH as part of CPCNH’s estimated March/April 2024 offerings yet will still enable Administrator Selig, as the Authorized Officer, to delay up until the launch date should any concerns or issues come to light. Henry Herndon with Community Power Coalition of NH will be present at the meeting via Zoom to answer questions.

Re: Consideration of and action on the Durham Community Power Electric Aggregation Plan

**LEGAL AUTHORITY:**

RSA 53E and PUC administrative rules detailed in the EAP

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

None at this time.

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**MOTION #1:**

*The Durham Town Council hereby authorizes the Administrator to enter into the Cost Sharing Agreement and Member Services Contract for the Complete Service Bundle with the Community Power Coalition of New Hampshire (CPCNH) with Administrator Selig as the Authorized Officer and with elections in Exhibit C Article VIII Section 2 of the Agreement being a) "YES", b) "YES", and c) "NO"; and*

**MOTION #2:**

*The Durham Town Council hereby approves CPCNH's Data Security and Privacy, Energy Portfolio Risk Management, Rates, and Financial Reserves Policies*

# Community Power

## *Wave 2: Community Power Coalition of New Hampshire*

CPCNH Member Outreach & Engagement Committee

October 10, 2023 | 10:30am



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



# Agenda

- 1 | Coalition Recap & Context
- 2 | Rates, Risk, Reserves Policies +  
Cost Sharing Agreement, Member Service Contract
- 3 | Wave 2 Milestones to Launch / Schedule

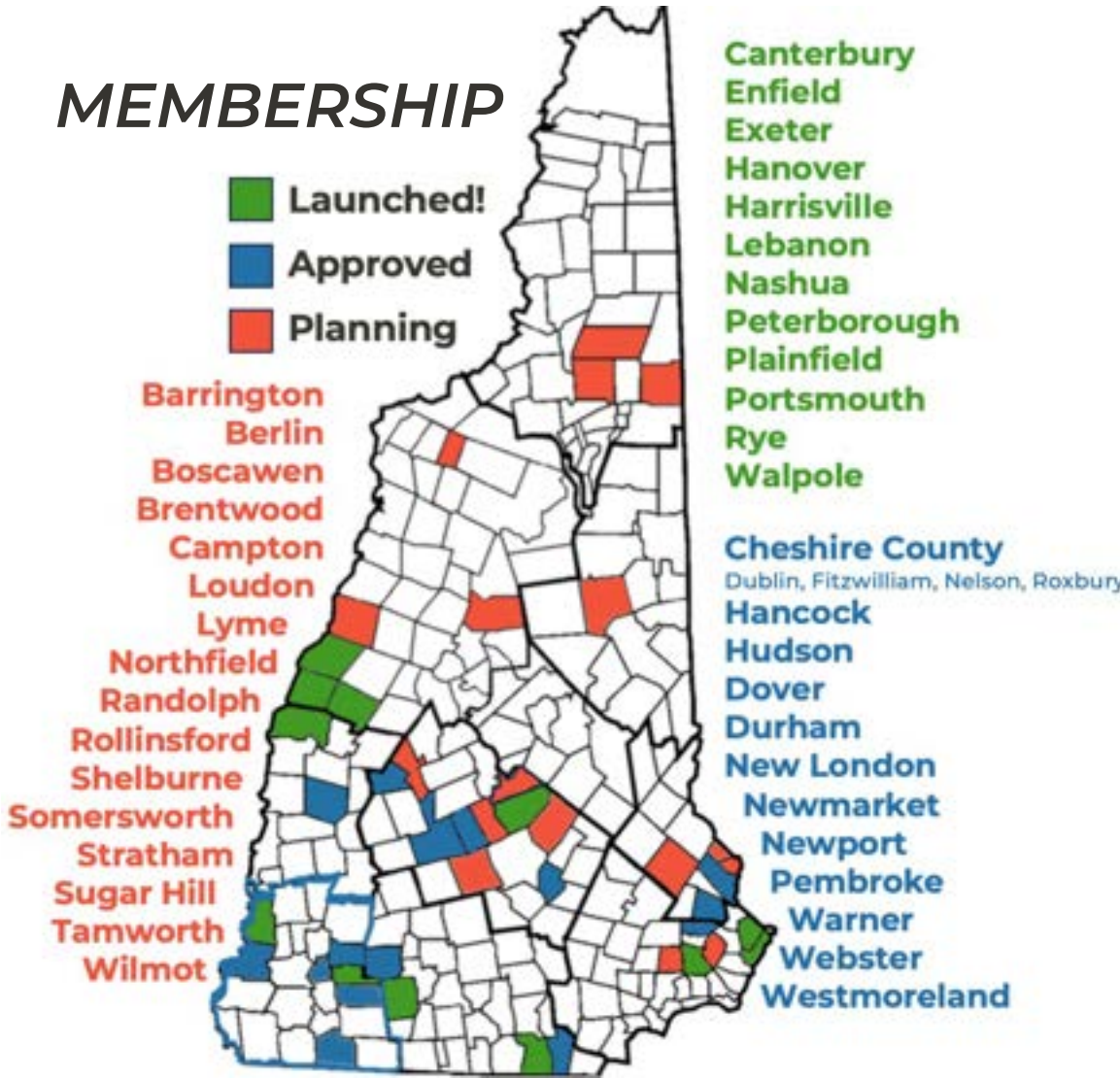


# Community Power Coalition Updates

## Community-governed power supplier

- ⚡ **1 County & 38 Municipal Members**  
**Representing >25% of NH population**
- ⚡ 12 Members launched spring 2023 + Dover & Cheshire County this fall
  - Larger than Unitil or Liberty loads
- ⚡ ~\$50M in Revenue, 2023 (controlled by Members)
- ⚡ Remaining & new Members to launch 2024+
- ⚡ Many cities/towns in process of joining

**All NH cities & towns are invited to join**



# Wave 2 Candidates



# Rates & Customer Choice

- ~75,000 customers in 1<sup>st</sup> Wave
- Dover + Cheshire Co. Launching!
- 416 opt-outs (<1% as of 9/11/23)
- 975 opt-ups (>1% as of 9/11/23)
- Customer Contact Center:

**1-866-603-POWR (7697)**

[info@CommunityPowerNH.gov](mailto:info@CommunityPowerNH.gov)

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



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

<b>Power Options*</b>		Renewable Content	Rate (¢/kWh)	Estimated Cost per Month	6-month Savings
<i>Electric supply rates effective 8/1/23 – 1/31/24</i>					
Utility Default Energy Service	Unitil	23.4%**	13.257 ¢	± \$80	N/A
	Liberty		12.612 ¢	± \$76	
	Eversource		12.582 ¢	± \$75	
Community Power Coalition of New Hampshire	Clean 100	100%	15.2 ¢	± \$91	Clean Premium
	Clean 50	50%	12.3 ¢	± \$74	± \$10 - \$34
	Granite Plus	33%	11.3 ¢	± \$68	± \$46 - \$70
	Granite Basic	23.4%**	10.9 ¢	± \$65	± \$61 - \$85

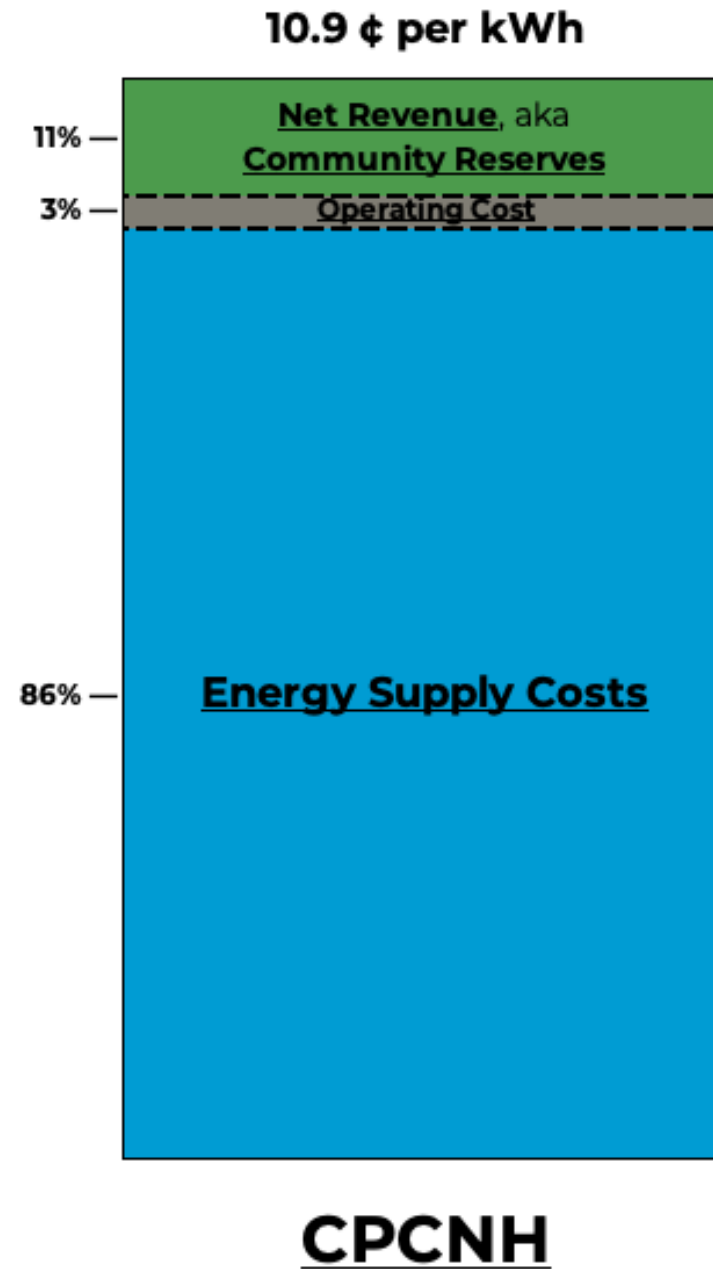
\* Rates, costs and savings are for residential customers and assume average usage of 600 kWh per month

\*\* The NH Renewable Portfolio Standard requires 23.4% renewable energy content for power sold between August and December 2023, which will increase to 24.3% beginning in January 2024.

<b>Power Options*</b>		Renewable Content	Rate (¢/kWh)	Estimated Cost per Month	3-month Savings
<i>Electric supply rates effective 4/24/23 – 7/31/23</i>					
Utility Default Energy Service	Unitil	23.4%	25.9 ¢	± \$156	N/A
	Liberty		22.0 ¢	± \$132	
	Eversource		20.2 ¢	± \$121	
Community Power Coalition of New Hampshire	Clean 100	100%	19.1 ¢	± \$115	± \$18 - \$41
	Clean 50	50%	16.9 ¢	± \$101	± \$60 - \$165
	Granite Plus	33%	16.2 ¢	± \$97	± \$72 - \$177
	Granite Basic	23.4%	15.8 ¢	± \$95	± \$78 - \$183

Rates effective February 2024 through July 2024 will be announced by January 2024.

# What's in a Rate?



# Member Milestones to Date

Joined Coalition  
Membership by adopting  
Joint Powers Agreement

Local Committees developed Plans +  
Public input & hearings +  
Local & PUC Approvals

Participation on CPCNH Board;  
Oversee start-up, launch,  
operations

**Local Governing Body  
adopts Cost Sharing  
Agreement & Policies  
to authorize Launch**

**Launch!**

# 2 | CPCNH Agreements & Policies



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



# 3 R's: Risk, Rates, Reserve Policies

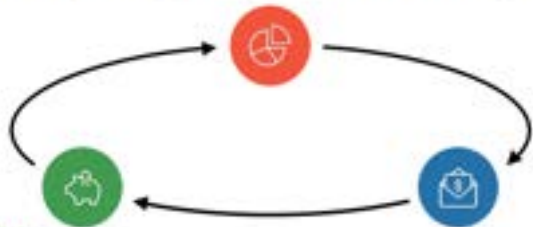
**Objectives:** (a) meet customer electricity requirements; (b) obtain best available rates; (c) maintain rate stability; (d) develop + maintain financial reserves to ensure long-term customer benefits

## Energy Portfolio Risk Management Policy

Outlines the mechanisms, financial safeguards, and reporting/transparency to procure electricity for members.

## Financial Reserves Policy

Describes how the Financial Reserve will be established/maintained; mechanisms for utilization; how excess reserves are allocated and made available to Members.



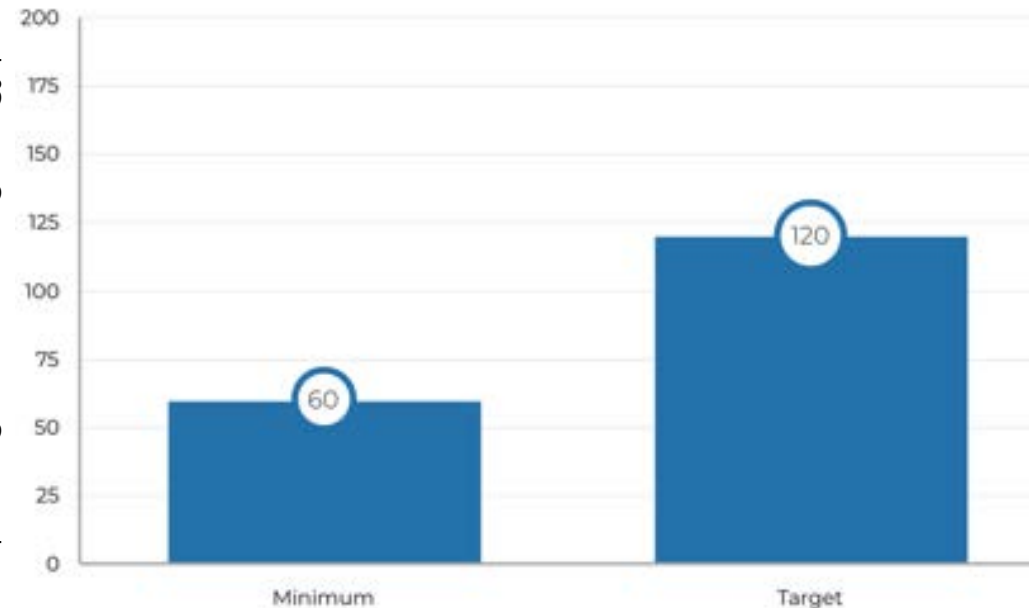
## Retail Rates Policy

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

**Data Security and Privacy Policy**  
to protect Individual Customer Data

## Financial Reserve Targets

Days of Cash in Reserve  
(For all operating costs, including energy purchases)



(On track to be achieved in 2024)

(On track to be achieved in 2028)

# Energy Portfolio Risk Management Policy

- 1. Philosophy, Objectives, Scope:** CPCNH purpose is to procure electricity supply for Community Power; EPRM identifies risks & management strategies; objectives are low rates, stability, reserves
- 2. Risk Exposures:** Market, Volumetric, Opt-Out, Counterparty Credit, Liquidity & Collateral, Regulatory, Operational, Reputational
- 3. Strategy & Parameters:** Outlines risk mgmt strategies, metrics, limits, reporting  
**Position Limits:** Requires CPCNH to “close” (*fully hedge*) positions in advance of power delivery to minimize exposure to spot / real-time market swings
- 4. Risk Control Principals:** Separation of roles, protocols, reporting
- 5. Roles, Responsibilities, Organization:** who does what (Board, CEO, Staff, Service Providers)
- 6. Policy Compliance:** Describes how violations will be reported; independent auditing of ERMP every 2 years; Finance Committee review of reserve levels



# Retail Rates Policy

- 1. Purpose:** Outline requirements, objectives, authorities, processes for rate setting
- 2. Requirements & Objectives:** Only launch if rates beat utility default; strive to maintain lower rates; offer optional rates
- 3. Amendments:** CPCNH Board approves amendments, with advanced written notice of Board Meetings considering amendments to Members
- 4. Default Rate Setting Process:** CEO, in consultation with Finance and Risk Management Committees, recommends rates for Board approval; Emergency Default Rate Adjustment Authority (with Board approval, and Member noticing).

# Retail Rates Policy (2)

**5. Rate Structure Types:** Discount to Utility; Fixed Price Cost of Service; Time of Use; Net Metering; Index Plus Adder; Fixed and Index Blend; other

**6. Rate Product Types & Approval Authorities:** Default Service (Granite Basic or Granite Plus) or Local Power Offer

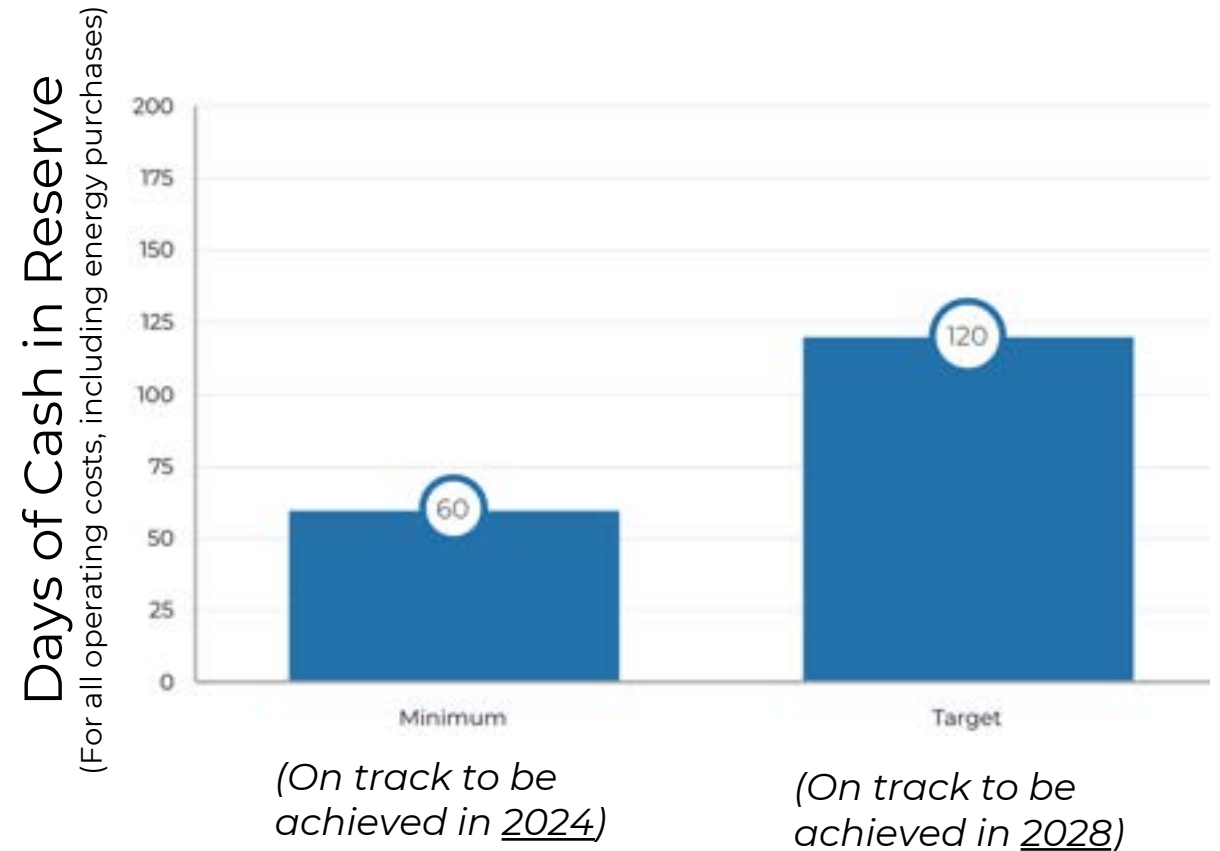
**7. Rate Product Content & Member Elections:**

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 Reserve Policy

- 1. Purpose:** Establish minimum, target, and maximum level of Joint Reserves; provides for use of Discretionary Reserves
- 2. Objectives:** Stability; availability of cash when needed; lower financing costs; achieve credit rating; manage risks of ERMP; create shared understanding of reserve use among Members, Staff, etc.; make CPCNH financially stable
- 3. Rights of Members to Reserve Contributions:** Reserves tracked by Member; if Member departs, balance of reserves will be returned to Member

## 4. + 5. Joint Reserve Target Levels



# Data Privacy & Security Policy

- 1. Purpose:** Define goals and controls to safeguard confidentiality, integrity, and availability of confidential individual customer information
- 2. Legal Compliance:** Ensures CPCNH complies with laws and regulations pertaining to individual customer data.



# Cost Sharing Agreement

- ⚡ Ensures costs recovered fairly & proportionally from Members
- ⚡ Establishes “Menu of Services”
- ⚡ Mandates regular cost reporting
- ⚡ Provides operational clarity to all parties
- ⚡ Enacts JPA Classification of Costs by:

- (1) **General & Administrative** shared proportionally across Members (pro rata share of annual electricity sales).
- (2) **Direct Project** (only accrue to participating Members);
- (3) **Member Services** (\$/MWh & actual)

Includes Member Services Contract for the **Complete Service Bundle “CSB”**

Classification	Cost Factor	Allocation Method
<b>General &amp; Administrative</b>	All Costs	\$/MWh forecasts and annual true-up to pro rata share of <u>actual</u> “Annual Retail Electricity Load” (JPA defined term)
<b>Direct Project</b>	Costs identified in Project Contracts	As specified in Project Contracts
	Unanticipated Costs	As directed by Project Committee vote; alternatively, Member Project Contract participation share %
<b>CPA Member Services Power Supply</b>	All Requirements Electricity	Member CPA actual cost
	Net Hedging	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Optional / Opt-Up Products	Member CPA actual cost
<b>CPA Member Services Operations</b>	Allocated Staff, Overhead & Misc. Svc	\$/MWh
	Member CPA Compliance Costs	Member CPA actual cost
	General Compliance Costs	\$/MWh
	Financing and Credit Support	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Portfolio & Risk Management Services	\$/MWh
	ISO-NE Load Serving Entity (LSE) Services	\$/MWh
	Marketing & Community Services	\$/MWh
	Customer Notifications	\$/Notice
	Data Management & Billing Services	\$/Meter
	Call Center & Customer Services	\$/Meter
	Local Program Design, Admin & Finance	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
<b>CPA Member Services Elective Services</b>	Additional services as authorized by the Board	

# Cost Sharing Agreement — Sections

- 1. Recitals, Legislative Context, Purpose** (reference to RSA 53-E, public interest, etc.)
- 2. Amendments:** Uniform for all Members; unanimous vote of Members to Amend
- 3. Membership List**
- 4. Menu of Services:** “Complete Service Bundle” includes all services required to launch & operate program; additional services may be added over time
- 5. Cost Recover & Liability Limitation:** No taxpayer funds, costs recovered through rates, grants, 3<sup>rd</sup> party sources; debts, liabilities & obligations of CPCNH shall not be of the Members unless otherwise agreed to under service contract
- 6. Cost Reporting & Records:** Mandates transparency and monthly reporting for cost tracking & allocation; *“Books and records of [CPCNH] shall be open to inspection at all reasonable times to each Member and its representatives”*
- 7. Implementation Costs:** all Members participating during years 1 - 5 allocated the same \$/MWh implementation/start-up costs

# Cost Sharing Agreement — Sections (2)

**8. + 9. Cost Classification & Allocation:** Defines (a) CPA Member Services Costs; (b) General & Admin Costs; (c) Direct Project Costs

**10. General Terms & Conditions:** Liability protections, indemnification, dispute resolution, commitment to honor contracts

**11. Term:** Terminates with: (1) CPCNH dissolution; (2) Member withdrawal subject to continuing obligations (Member Service Contract for Complete Service Bundle)

## Exhibit C — Member Service Contract for Complete Service Bundle

**Recitals:** Member desires to implement Community Power for public good, has adopted Electric Aggregation Plan, endorses CPCNH policies, and desires for CPCNH to provide service

**Purpose:** CPCNH will provide comprehensive services for power supply procurement, data and billing, customer service, etc.;

CPCNH enables public oversight, transparency, unbiased expertise, admin efficiency, short- and long-term benefits, representation at Gen Court & PUC, innovation

# Exhibit C — Member Service Contract for Complete Service Bundle

1. **Purpose**
2. **Decision-Making Frameworks for:** Whether & when to procure power, rate product elections, collection of financial reserves, termination
3. **Limitation of Member Liability**
4. **Delegation of Authority & Commitment to Act:** Authorizes CPCNH to act as agent in operating Community Power
5. **Professional Ability & Service Contracts:** CPCNH relies on Staff & hired service providers
6. **Electric Aggregation Plan**
7. **Term; Procurement & Termination; Financial Reserves:** (next slides)
8. **Authorized Officer:** (next slides)
9. **Principal Representative:** Member Representatives & Town Manager/Admin
10. **Amendments.** 11. **Attestation:** Attach Governing Body authorizing resolution



# CSB – Term; Procurement & Termination Elections; Authorized Officer

- ✓ **Member** may terminate with immediate effect via written notice, provided CPCNH has not authorized power transactions on behalf of **Member**
- ✓ **Election to Delay:** “Authorized Officer” may delay commencing procurement during the Risk Management Committee (RMC) meeting convened to authorize the “first purchase” of CPCNH on behalf of the Member
  - RMC will call for verbal elections to delay after discussion of market forecast
- ✓ **Term of Service:** Member may elect to terminate service by submitting notice 36 months in advance of termination date
- ✓ **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 designate an “Authorized Officer” who may elect to:** **(a)** Delay commencing procurement: **(YES/NO)**; **(b)** Specify default and optional products: **(YES/NO)**; **(c)** Set Discretionary Reserve adders: **(YES/NO)**

# CSB – Early Termination

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

- ✓ Upon receipt of termination notice, CPCNH shall inform **Member** 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 **Member'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***

- ✓ **Member** 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 **Member's** liability for outstanding costs
- ✓ **Member** may elect to use its **allocated share of Joint Reserves** or **Discretionary Reserves**, for this purpose



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# Questions on Agreements & Policies?

All Key Documents @ [www.CPCNH.org/about](http://www.CPCNH.org/about)

**Up Next: Wave 2 Launch Milestones & Public Engagement Planning**

# Working Wave 2 Launch Milestones

Timeline based on technical assessment comparing Feb, Mar, Apr launches, finding March Launch to realize greatest total value.

- ❑ Governing Bodies adopt (1) Cost Sharing Agreement and Member Services Contract; (2) CPCNH Policies for Risk, Rates, Reserves, and Data Protection (**target by: 11/1/23**)
- ❑ CPCNH Risk Management Committee “first purchase” meeting (~ **12/29/23**)
- ❑ CPCNH mails enrollment letters; opens Contact Center publishes CommunityPowerNH.gov/ (~ **1/22/24**)
- ❑ Public information meeting (**week of 1/29/24**)
- ❑ Community Power launches! (**starting 2/24/24**)
- ❑ **All Customers Enrolled by April 1, 2024**

**12/26/23:** Utility rates & CPCNH rate recommendation known



**DRAFT SCHEDULE, SUBJECT TO CHANGE**

**Wave 3 Launch option available starting in or after June 2024**

# Public Engagement Strategies & Action Plans

Clean Energy NH hosting virtual Public Engagement Planning Kickoff 12/5, 5pm

⚡ **Attendees:** Wave 2 AND Wave 3 (2024 town meeting / council approvals)

⚡ **Purpose:** establish regional public engagement teams and action plans

⚡ **Goal:** inform citizens about Community Power and associated benefits

⚡ **Agenda:**

1. Welcome, Intro, Purpose, Agenda

2. Breakout Group #1: Regional **Strategy** Brainstorm (meet your regional teams, brainstorm strategies, regroup & share out)

3. Overview of Resources (printed materials, templates, etc.)

4. Breakout Group #2: **Action Planning** (assign individual roles/tasks; regroup & share out)



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# Questions & Discussion

# Authorizing Language

**MOVED, that the [GOV BODY] hereby approves CPCNH's Data Security and Privacy, Energy Portfolio Risk Management, Rates, and Financial Reserves Policies and authorizes the [TOWN ADMIN/MNGR] to enter into the Cost Sharing Agreement and Member Services Contract for the Complete Service Bundle with the Community Power Coalition of New Hampshire (CPCNH) with \_\_\_\_\_ as the Authorized Officer and with elections in Exhibit C Article VIII Section 2 of the Agreement being a) "YES", b) "NO", and c) "NO";**

## Guide to CPCNH Policy Documents

- ✓ Energy Portfolio Risk Management Policy
- ✓ Retail Rates Policy
- ✓ Financial Reserves Policy

December 28, 2022

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# 1 | Process

Process for Development and Approval of Policies



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## CPCNH Important Dates



<b>11/03</b>	RMC email outlines the process for finalizing key documents	<input checked="" type="checkbox"/>
<b>11/15</b>	Legal Consultation on CSA & Risk, Reserves, and Rates Policies	<input checked="" type="checkbox"/>
<b>11/21</b> 10:15 - 12:15	Legal Consultation on CSA & Risk, Reserves, and Rates Policies	<input checked="" type="checkbox"/>
<b>11/22</b>	Requested deadline for policy document feedback	<input checked="" type="checkbox"/>
<b>11/28</b>	RMC will release updated drafts of the documents	<input checked="" type="checkbox"/>

<b>11/29</b> 16:00-18:00	Legal Consultation on CSA & Risk, Reserves, and Rates Policies (possible make-up on 11/30)	<input checked="" type="checkbox"/>
<b>12/08</b> 17:00-20:00	RMC Public Meeting Deliberative Session on the 4 key documents	<input checked="" type="checkbox"/>
<b>12/15</b>	Board Meeting vote on whether to approve the 4 key documents	<input checked="" type="checkbox"/>
<b>JANUARY 2023</b>	Launching Members gain approval of policies from Governing Bodies	<input type="checkbox"/>
<b>FEB-MAR 2023</b>	Public Info & Outreach, Customer Notification & Public Hearing	<input type="checkbox"/>
<b>APRIL/May 2023</b>	<b>CPCNH LAUNCH GOAL!!</b>	<input type="checkbox"/>

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## Interplay of Three Policies

### Energy Portfolio Risk Management Policy

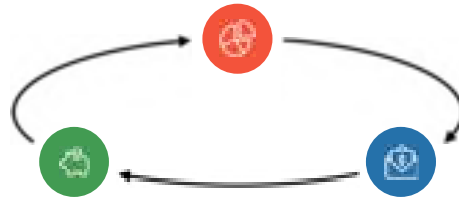
Outlines the mechanisms, financial safeguards, and reporting/transparency to procure electricity for members.

### Financial Reserves Policy

Describes how the Financial Reserve will be established/maintained; mechanisms for utilization; 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.



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## 2 | Energy Portfolio Risk Management Policy



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## EPRM Section 1 – Philosophy, Objectives, Scope

### Philosophy

- ✓ CPCNH's primary business is to procure/produce electricity supply to meet Community Power Aggregation (CPA) customer load requirements
- ✓ EPRM Policy provides a power procurement framework to maximize probability that CPCNH:
  - Identifies + manages risks of procuring and hedging the power supply portfolio
  - Accrues reserve funds to satisfy financial obligations

### Objectives

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

### Scope

- ✓ EPRM Policy prescribes the management organization, authority, and processes to monitor, measure and control the risks to which CPCNH is exposed in the normal course of business arising primarily from CPCNH's 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

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## EPRM Section 2 – Risk Exposures

### *Defines main risk categories of:*

1. Market Risk
2. Volumetric Risk
3. Opt-Out Risk (Customer Attrition Risk)
4. Counterparty Credit Risk
5. Liquidity and Collateral Risk
6. Regulatory and Legislative Risk
7. Operational Risk
8. Reputation Risk

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## EPRM Section 3 – Risk Strategy & Parameters

*Identifies key strategies CPCNH will apply to mitigate all the risks associated with energy transacting activities.*

1. **Portfolio Strategy and Cost Allocation:** continuous monitoring + modeling of energy markets & customer behaviors/loads, responsive energy transactions to minimize cost + risk of electricity supply, settling financial obligations in the wholesale market.
2. **Portfolio Diversification:** electricity procured from numerous sources, with a variety of contract durations for both physical and financial energy contracts.
3. **Counterparty Diversification and Credit Exposure:** CPCNH will assess and monitor counterparty creditworthiness and avoid being overly reliant on any one entity.
4. **Default Rate Benchmarking:** CPCNH will monitor and compare its electricity rates against NH utilities.
5. **Reporting Requirements:** daily monitoring, at least weekly reporting of 5 energy supply parameters, and monthly reporting to the Risk Management Committee. Members have full access to reports and performance evaluations.
6. **Risk Metrics:** Portfolio management decisions supported by risk metrics computed from energy market simulations.
7. **Position Limits (Hedge Ratios):** CPCNH will purchase energy hedges to insure against future market price fluctuations. The policy documents defines minimum and maximum ratios of the electricity purchase commitments relative to the expected load.

All CPAs will be managed as one portfolio to maximize economies of scale, with detailed accounting to correctly allocate costs for different Members and Customer Classes.

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## Position Limits (Hedge Ratios)

### CPCNH will:

- ⚡ Rely on risk metrics to guide procurement decisions;
- ⚡ Purchase energy on a forward basis to hedge against the risk of open load positions within the minimum and maximum hedge ratios

Hedge ratios are fixed price purchases and supply resources divided by forecasted load.

Maintaining minimum and maximum hedge ratios limits CPCNH's net open exposure and provides a framework to manage market risk while allowing flexibility in procurement sufficient to maintain competitive rates.

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## Position Limits (Hedge Ratios)

<b>Discount to Utility Tariff Model</b>			
<b>Months to Delivery</b>		<b>Discount to Utility Tariff (Auction Based Rates)</b>	
		<b>Minimum</b>	<b>Maximum</b>
<b>0+</b>	3	60%	125%
<b>3+</b>	6	50%	110%
<b>6+</b>	9	0%	70%
<b>9+</b>	12	0%	70%
<b>12+</b>	48	0%	50%

<b>Cost of Service or Fixed Price Model</b>			
<b>Months to Delivery</b>		<b>Cost of Service ("Fixed Price" Rates)</b>	
		<b>Minimum</b>	<b>Maximum</b>
<b>0+</b>	3	80%	125%
<b>3+</b>	6	50%	110%
<b>6+</b>	9	40%	90%
<b>9+</b>	12	40%	90%
<b>12+</b>	18	30%	90%
<b>18+</b>	24	20%	90%
<b>24+</b>	48	20%	90%

Hedges and futures purchases that ≠ 6 months forward products represent CPCNH's structural advantage achieved by active portfolio management as compared to regulated utility procurement methods.

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## EPRM Section 4 – Risk Control Principles

*The processes to identify, monitor, control and track risk exposure will involve:*

- ✓ Delegation of authority to qualified parties
- ✓ Separation of responsibilities for procurement
- ✓ Adherence to well defined procedures, documentation, reporting, oversight and review

CPCNH will assess, specify and limit the types of energy products that may be transacted.

CPCNH Directors, Officers, Alternates, Employees, Volunteers, consultants, and any other person acting for or on behalf of CPCNH are bound by the terms of CPCNH's Conflict of Interest Policy.

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## EPRM Section 5 – Roles, Responsibilities, Organization

*Defines overall roles & responsibilities for implementation of EPRM Policy.*

1. **CPCNH Board of Directors:** Member Board has ultimate oversight over CPCNH operations and is responsible for establishing organization-wide framework for risk management,
2. **CEO:** Has overall responsibility for implementing the EPRM Policy and for communicating risk management issues to the Member Board.
3. **Risk Management Committee:** Ensures procurement activities carried out on behalf of CPCNH are executed within the guidelines of EPRM Policy and are consistent with the Member's goals.
4. **Front Office\*:** Responsible for managing CPCNH's market price risk associated with Member CPA load serving requirements.
5. **Middle Office\*:** Independent oversight of the Front Office & adherence to this policy.
6. **Back Office\*:** Provides supporting activities necessary to settle energy transactions (largely accounting) and support Middle Office risk control responsibilities.

\*CPCNH's Front, Middle, and Back-Office functions will be provided by Ascend Analytics, LLC and our Load Serving Entity

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## EPRM Section 6 – Policy Compliance

*Describes how violations to any part of the EPRM Policy will be reported, investigated and reviewed.*

- ✦ Independent, third party audits of the Enterprise Risk Management Policy, including the Energy Portfolio Risk Management Policy will be performed at least once every two years.
- ✦ Financial reserve levels reviewed monthly by Finance Committee.
- ✦ All employees and Members involved with EPRM Policy will be trained to the appropriate level.

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## 3 | Retail Rates Policy

**Section 1 – Purpose:** Outlines the requirements, objectives, rate setting authorities, rate setting processes, and different types of rate products of CPCNH



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## Rates Policy Section 2 – Requirements & Objectives

CPCNH will only launch new Member CPAs pursuant to meeting Member EAP requirements (e.g., meeting or beating the utility default service rates for residential customers at launch)

- ✓ Thereafter, CPCNH will strive to maintain default service rates that are lower than or competitive with utility default service rates.
  - “Competitive with” means that over the long term, CPCNH rates will be lower than the utility default service rates, but occasionally for short periods of time, utility rates may dip below CPCNH rates due to market volatility.
  - Other rates plans will also be made available for customers to opt-up to if desired.

Main considerations & requirements for setting rates for CPCNH customers:

- ✓ Rates set based on CPCNH financial data, energy positions, Member objectives & market considerations;
- ✓ Rates cover CPCNH’s operating/capital costs, financial reserve targets, other requirements set by the Board;
- ✓ NH law & rules require equitable treatment of customer classes & posting rates to NH DOE Shopping Comparison website;
- ✓ Rate changes are required to be publicly noticed at least 30 days in advance of becoming effective;
- ✓ CPCNH will support income eligible customers enrolled in Electric Assistance Program to receive their discount.

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## Rates Policy Section 3 – Policy Amendments

- ✦ CPCNH Board must approve amendments to the Retail Rates Policy.
- ✦ The principal executive officers of **Each Member** will receive advance written notice of Board meetings at which changes to this Policy are proposed.
- ✦ Subsequently, the principal executive officers of **Each Member** will receive prompt written notice of the effective date of such amendment.

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## Rates Policy Section 4 – Default Rate Setting Process

- ✦ CEO, in consultation with Risk Management and Finance Committees, will recommend default rates to Member Board for approval.
- ✦ Advance written notice of Board meetings at which changes to default rates are proposed will be sent to the principal executive officers of **Each Member**.
- ✦ Subsequently, prompt written notice of approved default rate changes will be sent to the principal executive officers of **Each Member**.
- ✦ **Emergency Default Rate Adjustment Authority** for unexpected events:
  - The Board must approve emergency rate adjustments.
  - Prompt written notice of emergency rate adjustments will be sent to the principal executive officers of **Each Member**.

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## Rates Policy Section 4 – Member Election of Rate Products & Discretionary Reserve Adders

- ✦ Individual Members may select different **default** and **opt-in** rate products:

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

- ✦ Individual Members may elect to apply an adder to default and opt-in rates for the accrual and use of **Discretionary Reserves**, as provided for in the Financial Reserves Policy.

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## Rates Policy Section 5 – Rate Structure Types

*Lists and defines the types of Rate Structures permitted.*

1. Discount to Utility Tariff Rates
2. Fixed Price Cost of Service Based Rates
3. Time of Use Rates
4. Net Metering Rates
5. Index Plus Adder Rates (pass-through + CPCNH admin adder)
6. Fixed and Index Blend Rates (combines structures 2 and 5)
7. Board approval required to authorize any new rate structures not listed

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## Rates Policy Section 6.1 – Rate Product Types & Approval Authorities

***Lists & defines the Rate Products CPCNH is permitted to offer:***

- ✦ Default Service
  - Communities may elect from menu of different default rate products (e.g., minimum renewable content vs. 5-10% additional renewable or carbon-free content)
  - Local power generation can be incorporated into individual CPA default service offerings
- ✦ Alternative Customer Rate Options (Opt-in, Opt-up, or Opt-down)
  - Higher/lower renewable energy content
  - Price will have a different benchmark than Default Service
  - Innovative custom rates for larger customers based on cost to serve

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## Rates Policy Section 6.2 – Net Metering Offer

***CPCNH Anticipates Offering Net Metering Rates as Follows:***

### **Traditional Net Metering 1.0**

- ✦ Customers will maintain their Traditional Net Metering 1.0 rate structure and monthly kilowatt-hour crediting of excess generation towards future consumption.
- ✦ Customers that have accrued a bank of kilowatt-hours credits who transition to Community Power may zero out their bank of kilowatt-hour credits upon becoming Community Power customers.

### **Alternative Net Metering 2.0**

- ✦ Customers will maintain their Alternative Net Metering 2.0 rate structure but will transition from a monthly taxable monetary payment for excess generation to a monthly kilowatt-hour credit for excess generation to be banked against future consumption for the supply component only.
- ✦ Such Customers may receive dual bills, one from utility for delivery charges/credits and one from CPCNH for supply charges/credits.

### **Group Net Metering**

- ✦ “Host” customer-generators will likely benefit by remaining on utility default service, while their “Group Members” who may receive on-bill credits for Host exports to the Grid should benefit by switching to Community Power for their supply. CPCNH can help evaluate individual cases.

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## Rates Policy Section 7 – Rate Product Content & Member Elections

**CPCNH will offer the following rate products and contents:**

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

- Members may elect Granite Basic or Granite Plus as their default product, and other products as optional (opt-in, opt-up, or opt-down).

### Product Content

- “Carbon-free” means power that is reported as carbon-free on an Environmental Disclosure label pursuant to Puc rule 2205.11 and includes power from larger hydroelectric generation that doesn’t qualify as renewable under RPS.

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## 4 | Financial Reserves Policy

**Section 1 – Purpose:** Establishes minimum, target, and maximum levels of **Joint Reserves** that will be accrued, used, maintained, and monitored by CPCNH; and provides for accrual and use of **Discretionary Reserves** by individual members.



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## Financial Reserves Policy Section 2 – Objectives

*Financial reserves are accrued and maintained by CPCNH on behalf of and for the benefit of Member CPAs with the following objectives:*

- ✦ 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
- ✦ Establish clear expectations between the Board of Directors, staff, contractors, and suppliers of electricity to CPCNH
- ✦ Net result = CPCNH is financially stable & able to develop projects for Members

*A formal reserve policy creates a shared understanding of the proper level and use of reserves.*

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## Financial Reserves Policy Section 3 – Rights of Members to Reserve Contributions

- ✦ Reserve contributions shall be tracked and accounted for on behalf of **each Member CPA (your community)**.
- ✦ If a **Member CPA** withdraws from CPCNH or membership is involuntarily terminated, the balance of any reserves accrued by **your community** will be distributed or applied as directed by **your community's** governing body, after satisfaction of the Member's contractual obligations with CPCNH and in accordance with any applicable law and regulation.
- ✦ Financial reserves allow Members to “build equity” in CPCNH
- ✦ **Discretionary Reserves** may be collected on behalf of an individual Member and tracked, accounted for, and transferred to the Member or otherwise applied or held as directed by the individual Member's governing body

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## Financial Reserves Policy Section 4 – Joint Reserve Target Levels Established

*Defines three target levels of reserves, relative to the forecasted expense of operations as reflected in CPCNH's budget, and in addition to any other financial obligations CPCNH has committed to:*

- ✦ **Minimum Operating Reserve:** reserves sufficient to cover 60 days of operations to be achieved within 3 years.
- ✦ **Target Operating Reserve:** reserves sufficient to cover 120 days of operations to be achieved within 5 years.
- ✦ **Maximum Operating Reserve:** reserves sufficient to cover 180 days of operations.

*Reserve targets have been set based on cost forecasting as part of the Technical Assessment of CPCNH's viability.*

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## Financial Reserves Policy Section 5 – Joint Reserve Target Levels Maintained

*Defines financial reserve actions for different reserve levels.*

- ✦ **Replenishment of Minimum Reserves:** CPCNH will develop and implement a plan to return reserves to the minimum within 2 years.
- ✦ **Between minimum and maximum reserve level:**
  - Small reserve contribution rate adjustments to grow reserve to a "Target Operating Level."
  - No further action required once the Target Operating Level is achieved.
- ✦ **Above the maximum reserve level:** Considered excess reserves and allocated and distributed back to Member CPAs for their own use.

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## Financial Reserves Policy Section 6 – Excess Reserves

- ✦ Reserves collected from customers of a given Member CPA in excess of the Maximum Operating Reserve Level will be allocated or distributed back to or otherwise made available for use as directed by the Member's governing body.
- ✦ Members may use Excess Reserves to invest in developing new local energy projects, to fund programs benefiting their customers specifically, for rate reductions, or for other uses as determined solely by each individual Member.

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## Financial Reserves Policy Section 7 – Forecasting, Reporting & Evaluation of Joint Reserves

### ***Outlines regular Financial Reserve assessments and adjustments.***

- ✦ Reserves levels forecasted on a rolling 12-month basis to normalize for Member expansion
- ✦ Regularly Forecasting of Reserve Levels
  - Methodology is approved by Risk Management Committee (RMC)
  - Methodology is reviewed by Financial Committee
  - Reported monthly to the Member Board
- ✦ Periodic Review of the Reserve Target Levels
  - Reserve target levels periodically reviewed for consistency with industry standards by RMC
  - The funding level may be adjusted when significant new risks are identified or retired.
- ✦ Annual Consideration of Forecasted Reserve Levels and Targets
  - An analysis of over or under forecasting of reserve levels during the fiscal year shall be made in conjunction with year-end financial results. Results reported to the Board of Directors as part of year-end financial report presentation.
  - The Board to review and consider the target reserve levels defined in this Policy, in the context of CPCNH's overall financial condition and taking under consideration changes to the industry and/or CPCNH's exposure to the risk factors defined in the Enterprise Risk Management Policy.

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## Financial Reserves Policy Section 7 – Conditions for Use of Joint Reserves

- ✦ The use of Joint Reserves is defined as an expenditure that is forecasted to result in more than a 10% reduction of the reserve level at the conclusion of a rolling 12-month forecast period.
- ✦ A temporary reduction in cash consistent with the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected over the course of any 12-month period, and do not constitute an expenditure of Joint Reserves.
- ✦ The expenditure of Joint Reserves is subject to approval by the Board. However, the CEO has the authority to use reserves for operating liquidity in emergency situations in consultation with the Board Chair and either the Vice Chair or Treasurer, and such actions must be noticed to the Board in the next meeting.

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## Financial Reserves Policy Section 8 – Board Discretion

The Board may, by resolution, modify or suspend any provision of the Financial Reserves Policy for any duration at any time . . .

- ✦ **Except** that the provisions under this section and under “Rights of Members to Reserve Contributions” may only be modified or suspended by a written amendment unanimously approved by the votes cast at a meeting of the Membership at which a quorum is present.

The CEO or Board Chair will send notice to Member Representatives and principal executive officers of each Member:

- ✦ At least 14 days prior to a meeting at which proposed amendments to or suspension of the provisions under this section and under “Rights of Members to Reserve Contributions” may be acted upon;
- ✦ Subsequently, the effective date of such amendment or suspension.

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# Energy Portfolio Risk Management, Retail Rates, and Financial Reserves Policies

*For Communities, By Communities*



## **COMMUNITY POWER COALITION OF NEW HAMPSHIRE**

**AMENDED: March 3, 2023 & May 25, 2023**  
**ORIGINAL ADOPTION DATE: December 19, 2022**



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# ENERGY PORTFOLIO RISK MANAGEMENT POLICY<sup>1</sup>

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## Philosophy, Objectives & Scope

This Energy Portfolio Risk Management Policy (EPRM Policy) outlines the philosophies and objectives of the Community Power Coalition (CPCNH) Board of Directors (Board) in governing and making decisions necessary to provide the credit support, portfolio analytics, hedging, and daily operating activities required to implement and operate Community Power Aggregation (CPA) power supply services.

The Risk Management Committee (RMC) is responsible for ensuring the development and maintenance of CPCNH's Energy Portfolio Risk Management Regulations (EPRM Regulations) to expand on the roles, strategies, controls, and authorities authorized in this policy to form a comprehensive energy risk management program.

### Risk Philosophy

As a Joint Powers Agency, CPCNH is in the business of procuring and generating energy for the benefit of its participating Member CPAs. The goal of this policy is to:

- ⚡ Serve Member CPA needs subject to Board approved risk tolerance limits.
- ⚡ Provide as much energy supply cost certainty for CPA customers as reasonably possible while maintaining a least cost portfolio.
- ⚡ Develop and enhance the value of CPCNH and Member CPA assets to meet the financial and local policy goals of the participating Members.

CPCNH recognizes that novel technologies, market dynamics, and regulatory shifts are combining to create new levels and dimensions of risk, and opportunities, that must be integrated into CPCNH's portfolio risk management program.

CPCNH's objective is to develop the least cost, greatest value portfolio to meet load requirements of CPA customers, while maximizing revenues from sales of surplus energy from wholesale and local project resources, and creating new sources of revenue through the intelligent design and integration of price-responsive customer rates, market-enabling products, and local programs (e.g., portfolio optimization).

Unlike a private-sector supplier, CPCNH's primary business purpose is to serve its Members. CPCNH's goal is to be a cost hedger for its Member CPAs load and is therefore precluded by this policy from engaging in purely speculative activities typical to many organizations oriented toward profit maximization.

CPCNH also recognizes that there are additional risks beyond those related to normal power supply operations and hedging activities. CPCNH's goal is to limit, to

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<sup>1</sup> Amended at 5/25/23 Board of Directors Meeting to insert "six weeks" in place of "one month" in the 1<sup>st</sup> sub-bullet under the 1<sup>st</sup> bullet after the 1<sup>st</sup> paragraph under "Discount to Utility Rates" on p.10.



the extent practicable, exposure to those risks This document serves as a vehicle to describe and define the limits for activities considered as appropriate for CPCNH in a normal course of business of serving loads and procuring power.

## **Business Activities**

CPCNH's primary business is to procure or produce electricity supply to meet CPA customer load requirements. The resource supply portfolio may consist of fixed and variable priced supply contracts of varying lengths, physical assets (such as power plants and distributed energy resources), and agreements for other related supplies and services needed to ensure reliable delivery of electricity to CPA customers.

The objective of the EPRM Policy is to provide a framework for conducting procurement activities that maximize the probability of CPCNH meeting its goals. The policy documents the framework by which CPCNH will:

- ✦ Identify risks associated with the procurement of power supply.
- ✦ Identify those responsible for administering the various elements of the risk management policy from procurement operations to oversight activities.
- ✦ Set parameters and methodologies for managing risk associated with procuring and hedging the power supply portfolio including the specification of authorized products, terms, and transaction limits.
- ✦ Provide for the accrual of reserve funds for the purpose of satisfying all financial obligations and objectives associated with management of the portfolio.

The EPRM Policy applies to all power procurement and related business activities that may impact the risk profile of CPCNH and its Member CPAs.

## **Transacting Objectives**

CPCNH's objectives when transacting on behalf of Member CPAs for the procurement of energy and energy related supplies and services are as follows:

1. Meet customer all-requirements electricity requirements, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard.
2. Provide competitive rates for the participating Member CPAs, and stability and choice for participating customers.
3. Obtain the best available price for power supply while complying with the requirements of this policy and other objectives established by the Board.
4. Develop local renewable, battery storage, and distributed energy projects and customer programs.
5. Manage CPCNH's assets to optimize value.



6. Act to limit exposure to extreme market system changes.
7. Follow effective wholesale counterparty credit management procedures.
8. Develop and maintain financial reserves.
9. Develop and maintain CPCNH's investment grade credit rating.

CPCNH's overall transacting objective is to meet the load requirements of Member CPA customers with an optimized portfolio.

## **Scope of Policy**

This EPRM Policy prescribes the management organization, authority, and processes to monitor, measure and control the risks to which CPCNH is exposed in the normal course of business arising primarily from CPCNH's 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

This policy applies to all energy and energy related transactions made by CPCNH, and the term "risk management" is herein understood to refer solely to risks related to participation in wholesale energy markets as herein defined.

Specific methodologies used to measure, monitor, and control these risks shall be established by the Risk Management Committee, in accordance with sound utility practices and included in the EPRM Regulations.

From the perspective of risk mitigation, CPCNH's primary objective is to cover load and optimize the value of assets. Taking risks unrelated to CPCNH's normal power supply business activities, is not permitted.

CPCNH is also exposed to regulatory, operational and reputation risks. These risk categories and exposures are managed pursuant to CPCNH's Enterprise Risk Management Policy (ERM Policy).

## **Policy Administration, Review and Amendments**

Energy Portfolio Risk Management will be a regular reporting standing agenda item at meetings of the Risk Management Committee and Board.

The Board, in consultation with the Risk Management Committee, is responsible for adopting this policy and reviewing it as needed at least every two calendar years.

The Board must approve amendments to the EPRM Policy. Advance written notice of Board meetings at which changes to this Policy are proposed shall be sent by the CEO or Board Chair to the principal executive officers of each Member that has executed the Member Services Contract for the Complete Services Bundle. Subsequently, any such amendment shall be sent by the CEO or Board Chair to the



principal executive officers of each Member that has executed the Member Services Contract for the Complete Services Bundle.

## **Approval and Amendment of Regulations**

After the EPRM Regulations are initially approved by the Board, the regulations may be amended with approval of the CEO, in consultation with the RMC, provided that the CEO sends prompt written notice to the Board of any such amendments.

## **Applicability**

This EPRM Policy is effective immediately upon its adoption by the Board. It applies to CPCNH's wholesale supply operations, long-term contracting for energy/capacity and services, acquisition of generation resources, credit risk management and other related ancillary activities undertaken by CPCNH.

CPCNH Officers, Directors, staff, and contractors engaged in portfolio risk management will adhere to and be governed by this EPRM Policy.

## **Risk Exposures**

CPCNH must procure electric power supplies and operate in the wholesale energy market which exposes CPCNH, and ultimately the customers of participating Members, to various risks. The risks listed relate to CPCNH participation in wholesale and retail markets as a Load Serving Entity (LSE). These categories are defined and explained as follows.

### **Market Risk**

Market risk is the uncertainty of CPCNH's financial performance due to variable commodity market prices (market price risk) and uncertain price relationships (basis risk). Variability in market prices creates uncertainty in CPCNH's procurement costs, which has a direct impact on customer rates.

### **Volumetric Risk**

Volumetric risk reflects the potential adverse financial outcomes due to the uncertainty in the quantity of different power supply products required to meet the needs of CPCNH and its members. Customer load is subject to fluctuation due to customer opt-outs or departures, temperature deviation from normal, unforeseen changes in the growth of behind the meter generation by CPCNH customers, unanticipated energy efficiency gains, new or improved technologies, as well as local, state, and national economic conditions.

### **Opt-Out Risk (Customer Attrition Risk)**

Opt-out or attrition risk occurs when customers opt-out of the program by choosing a different supplier. Opt-out risk may be realized by any condition or event that creates uncertainty within, or a diminution of, CPCNH's customer base. Opt-out risk is manifested in two separate ways:



1. First, the ability of customers to return to bundled service from NH utilities creates uncertainty in CPCNH's revenue stream, which is critical for funding EPRM goals
2. Second, customer opt-out risk can potentially challenge the ability of CPCNH to prudently plan for, and cost effectively implement, long-term resource commitments made on behalf of its member communities and the customers it serves

## Counterparty Credit Risk

Performance and credit risk refers to the inability or unwillingness of a counterparty to perform according to its contractual obligations or to extend credit. Failure to perform may arise if an energy supplier fails to deliver energy as agreed. There are different general performance and credit risk scenarios:

- ⚡ Counterparties and wholesale suppliers may fail to deliver energy or environmental attributes, requiring CPCNH to purchase replacement products elsewhere, possibly at a higher cost.
- ⚡ Counterparties may fail to take delivery of energy or environmental attributes sold to them, necessitating a quick resale of the product elsewhere, possibly at a lower price.
- ⚡ Counterparties and suppliers may refuse to extend credit to CPCNH, possibly resulting in higher collateral posting costs impacting CPCNH's cash and bank lines of credit.

During the normal course of business CPCNH is exposed to counterparty risk from energy suppliers. In this context, an important subcategory of credit risk is concentration risk. When a portfolio of positions and resources is concentrated in one or a very few counterparties, sources, or locations, it becomes more likely that major losses will be sustained in the event of non-performance by a counterparty or supplier or as a result of price fluctuations at one location.

## Liquidity and Collateral Risk

During the normal course of business CPCNH is exposed to liquidity risk to fund operations, meet ISO-NE collateral requirements and potential collateral obligations from bilateral power purchases.

Liquidity Risk is the risk that CPCNH will be unable to meet its financial obligations. This can be caused by unexpected financial events and/or inaccurate pro forma calculations, rate analysis, and debt analysis. Some unexpected financial events impacting liquidity could include:

- ⚡ Breach of CPCNH credit covenants or thresholds. Any breaches of existing and future credit covenants on CPCNH agreements could result in the withdrawal of CPCNH's line of credit or trigger the requirement to post collateral.
- ⚡ Calls for collateral from the ISO-NE or CPCNH's counterparties based on terms of transacting agreements.





- ⚡ CPCNH may be the subject of legal or other claims arising from the normal course of business. Payment of a claim by CPCNH could reduce CPCNH's liquidity if the cause of loss is not covered by CPCNH's insurance policies.

CPCNH will use industry best practices to manage potentially collateral posting and liquidity risk to the energy suppliers (i.e., requirement to post collateral per contractual terms).

## **Regulatory and Legislative Risk**

CPCNH is subject to an evolving legal and regulatory landscape. Regulatory risk encompasses risks associated with shifting state and federal regulatory policies, rules, and regulations that could negatively impact CPCNH. Legislative risk is associated with actions by federal and state legislative bodies, such as any adverse changes or requirements that may infringe on CPCNH's autonomy, increase its costs, impact its customer base, or otherwise negatively impact CPCNH's ability to fulfill its mission.

## **Operational Risk**

Operational risk is the uncertainty of CPCNH's financial performance due to weaknesses in the quality, scope, content, or execution of human resources, technical resources, and/or operating procedures within CPCNH. Operational risk includes the potential for:

- ⚡ Organizational structure that is ineffective in addressing risk (i.e., the lack of sufficient authority to make and execute decisions, inadequate supervision, ineffective internal checks and balances, incomplete, inaccurate, and untimely forecasts or reporting, etc.).
- ⚡ Absence, shortage or loss of key personnel or lack of cross functional training.
- ⚡ Lack or failure of facilities, equipment, systems, and tools such as computers, software, communications links and data services.
- ⚡ Exposure to litigation or sanctions resulting from violating laws and regulations, not meeting contractual obligations, failure to address legal issues and/or receive competent legal advice, not drafting and analyzing contracts effectively, etc.
- ⚡ Errors or omissions in the conduct of business, including failure to execute transactions, violation of guidelines and directives, etc.
- ⚡ Model risk that results in an inaccurate or incomplete representation of CPCNH's actual or forecast financial performance due to deficiencies in models and/or information systems used to capture all transactions.

## **Reputation Risk**

Reputation risk is the potential that CPCNH's reputation is harmed, causing members or customers to opt-out of CPCNH service and migrate back to NH utilities. It includes the potential for energy market participants to view CPCNH as an



untrustworthy business partner, thus reducing the pool of potential counterparties and/or having counterparties apply a CPCNH-specific risk premium to pricing.

## **Risk Strategy & Parameters**

An important aspect of implementing an overall energy risk management policy is the development of related strategies to mitigate all of the related risks associated with energy transacting activities. The key strategies of CPCNH are outlined below.

### **Portfolio Strategy & Cost Allocation**

The portfolio management process involves (1) continuous monitoring and modeling of market developments, customer load commitments, rates, attrition, and any offsetting hedge positions, (2) entering into and out of transactions with counterparties to minimize the cost and risk of providing all-requirements electricity, and (3) scheduling load and resources into the ISO-NE wholesale market, and subsequently settling financial obligations with the market operator and counterparties after the conclusion of each trading day.

To minimize the administrative and transaction costs associated with portfolio management, CPCNH will manage one whole portfolio to meet the combined electricity requirements of its Member CPAs. Probabilistic “at-risk” metrics will be used to inform portfolio hedging decisions to manage risk in the context of NH and ISO-NE markets, within the limits set in this policy and the EPRM Regulations. Structures will be put in place to address the accounting of cost to serve by CPA, timing of launch, and customer class.

### **Portfolio Diversification**

CPCNH will strive to develop and maintain a diversified portfolio of physical and financial energy contracts to manage wholesale market risk exposures in an optimal fashion by incorporating a variety of fuel types, contract and pricing terms, counterparties, geographic locations, and types of products and preferred sources (e.g., renewables and battery storage assets, local generators, customer-generators, demand response programs, etc.).

### **Counterparty Diversification & Credit Exposure**

To the extent practical, CPCNH will strive to create a diversified portfolio with multiple counterparties to diversify counterparty exposure.

Pursuant to master enabling agreements approved by the Board, the RMC may authorize entering into transactions with counterparties that possess at least a BBB- (or equivalent investment grade rating) by a nationally recognized statistical rating organization (NRSRO), and with counterparties rated below BBB- pending collateral, parental guarantees, or mutual concessions in credit requirement negotiations.

Effective counterparty management and credit analysis is essential to mitigate counterparty risks from wholesale market transactions. The market value, credit exposure and potential collateral requirements will be monitored using Mark-to-



Market (MtM), Potential Future Exposure, and Collateral Call risk metrics. Methodologies for these metrics and objectives are set forth in the EPRM Regulations.

## Default Rate Benchmarking

CPCNH's active portfolio management strategy involves taking certain risks relative to benchmark procurement practices from NH utilities. As of December 2022:

- ✦ Eversource, Unitil, and Liberty Utilities set default supply rates every six months after entering into all-requirements contracts with suppliers, with fixed prices that include a premium to cover the volumetric risk that suppliers are assuming by agreeing to serve customers.
- ✦ The New Hampshire Electric Cooperative actively manages its portfolio, and therefore retains and manages the associated risk of supplying customers itself.

CPCNH will monitor competitor procurement practices and modify its procurement strategy as warranted. Certain key risks for CPCNH in this context are that:

- ✦ Any net open positions that CPCNH has relative to the benchmark procurement practice of the utility in question represents an active risk position for CPCNH.
- ✦ CPCNH will also be exposed to volumetric risk from higher/lower loads than expected volumes and covariance with market prices.

## Reporting Requirements

A vital element of this Policy is the regular identification, measurement, and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with CPCNH's procurement-related business activities and performance relative to goals.

CPCNH measures and updates its risks using a variety of tools that model programmatic financial projections, market exposure and risk metrics, as well as through short term budget updates.

CPCNH seeks to manage financial exposure to higher-volatility spot market wholesale electricity using hedges. Hedge execution and/or adjustments decisions are supported through timely and automated reporting that presents essential factors behind CPCNH success such as headroom and attrition potential.

The following items are measured, monitored, and reported on at least a weekly basis, or as warranted given daily monitoring of market conditions, with monthly delivery of a reporting packet to RMC:

1. **Open Position (MWh):** net open positions for all energy, capacity, and environmental products.
2. **Open Position (\$):** the notional dollar and/or probabilistic-based risk exposure of open portfolio positions at current market prices.



- 3. Expected Gross Margins:** expected GM based on current market prices
- 4. Expected Cost of Supply:** marking to market is the process of determining the current value of contracted supply
- 5. Expected Reserve Levels:** to ensure reserves meet the targeted thresholds as outlined in CPCNH's Financial Reserve Policy.

Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure CPCNH adjusts its methods to reflect the evolving competitive landscape.

## Risk Metrics

Portfolio management decisions are supported by risk metrics derived from simulations of future market conditions, loads, and other material risk drivers for the portfolio. The following probabilistic risk metrics are regularly calculated and reported:

- 1. Gross Margin at Risk:** Potential adverse changes in net revenues for a given time period and confidence level.
- 2. Rates at Risk:** Potential adverse changes to CPCNH's rate competitiveness, relative to the four default utility supply rates, for a given time period and confidence level.
- 3. Reserve Levels at Risk:** Potential adverse change in reserves for a given time period and confidence level.
- 4. Potential Future Exposure for counterparty credit risk:** Maximum Mark-to-market counterparty exposures for a given time period and confidence level.
- 5. Potential Collateral Exposure:** Maximum of collateral that CPCNH may have to post for a given time period and time horizon with a given counterparty.

Stress tests will also be used to understand the potential variability in CPCNH's projected procurement costs, and resulting retail rate impacts and competitive positioning, associated with adverse scenarios of material risk drivers.

## Position Limits (Hedge Ratios)

While relying on risk metrics to guide procurement decisions over time, CPCNH will purchase energy on a forward basis to hedge against the risk of open load positions within the minimum and maximum Hedge Ratio Percentages defined herein.

- ⚡ Hedge Ratio Percentages are calculated monthly, separately for on-peak and off-peak periods, as the sum of supply resources and fixed price contracts for day-ahead power delivered to the ISO-NE New Hampshire Zone divided by forecasted loss-adjusted weather-normalized load (i.e., covered positions expressed as a percentage of forecasted wholesale load).
- ⚡ Maintaining minimum and maximum Hedge Ratio Percentages is intended as a framework to manage market risk, by limiting CPCNH's net open exposure while allowing flexibility in procurement sufficient to maintain competitive rates.



- ⚡ The objective in allowing such flexibility is to develop a procurement strategy focused on hedging against the risk of open load positions, so as to mitigate exposure to market price volatility and other pricing risk.

CPCNH's Hedge Ratio Percentages shall be a function of the rate setting method relied upon to offer rates for customers over different periods and methodologies:

- ⚡ “Discount to Utility” or “Auction Based Rates” refers to setting rates over the same periods as the incumbent utilities and is designed to support and enable CPAs to consistently maintain discounts for customers. CPCNH intends to offer default service primarily under this ratesetting methodology.
- ⚡ “Cost of Service” or “Fixed Price Rates” refers to setting rates for periods that are not designed to align with or necessarily discount against the incumbent utility's default rate periods and prices.
- ⚡ “Index Plus Adder Rates” or “Pass-Through Rates” refers to rates that charge customers the ISO-NE wholesale cost of their actual interval metered electricity usage priced at the ISO-NE New Hampshire Zone, with an adder to cover the customer's RPS compliance and capacity costs as well as CPCNH's cost of providing service. Since the customer is bearing the price risk, index rates are not covered by Hedge Ratio Percentages, unless a portion of the rate offered to the customer is fixed (e.g., a “Fixed & Index Blend” or “Variable Term Rate”), in which case the fixed-rate load obligation is included in the Cost of Service or Discount to Utility Hedge Ratio Percentages (as appropriate).

### Discount to Utility Rates

If rate setting is based upon setting rates for the same periods as incumbent utilities, then CPCNH shall hedge load obligations by maintaining Hedge Ratio Percentages in accordance with the limits below:

- ⚡ Leading up to and during the Utility Standard Offer Flow Period:
  - By six weeks prior to the period, Hedge Ratio Percentages shall be maintained between 40% and 110% for the period.
  - By the last trading day prior to the period, Hedge Ratio Percentages shall be maintained between 60% and 110% for the period.
  - By one month prior to power delivery, Hedge Ratio Percentages for the delivery month shall be maintained between 80% and 110%.
  - By one month prior to power delivery and thereafter, throughout the current period, Hedge Ratio Percentages may be increased up to 125% with the approval of the LSE.
- ⚡ For the period following the current Utility Standard Offer Flow Period:
  - For the twelve-month period following the current Utility Standard Offer Flow Period, Hedge Ratio Percentages may be up to 70%.



- For the subsequent period, Hedge Ratio Percentages may be up to 50% for the period extending 24-months from CPCNH’s Power Start Date.
- Beginning one year after CPCNH’s Power Start Date, Hedge Ratio Percentages may be up to 50%, for the period extending 36-months from the current trading day.

### Fixed Price Rates

If rate setting is based upon fixed price offer extended to customers over periods that are not designed to align with and discount against utility default rate periods, the following table of Hedge Ratio Percentages shall apply to hedging load obligations:

Months to Delivery *		Cost of Service ("Fixed Price" Rates)	
		Minimum	Maximum
<b>0+</b>	3	80%	110%**
<b>3+</b>	6	50%	110%
<b>6+</b>	9	40%	90%
<b>9+</b>	12	40%	90%
<b>12+</b>	18	30%	90%
<b>18+</b>	24	20%	90%
<b>24+ *</b>	36	20%	90%

\* Hedging shall not extend beyond 36 months from the date that CPCNH first begins providing electricity service to CPA customers, until one year from that date.

\*\* May be increased up to 125% with the approval of CPCNH’s Load Serving Entity, as provided for in the EPRM Regulations.

### Risk Control Principles

#### Control Principles

CPCNH will strive to conduct its energy risk management activities following best practices of the wholesale electric industry. A balance between costs and benefits will determine most effective controls, which are generally expected to meet the requirements of generally accepted auditing standards (GAAS), financial institutions and credit rating agencies. The processes to identify, monitor, control and track risk exposure will follow these principles:

1. Delegation of authority that is commensurate with responsibility and capability, and relevant training to ensure adequate knowledge to operate in and comply with rules associated with the markets in which they transact (e.g., ISO-NE).



2. Contract origination, commercial approval, legal review, invoice validation, and transaction auditing shall be performed by separate staff or contractor for any single transaction. No single staff member shall perform all these functions on any transaction.
3. Defining authorized products and transactions.
4. Defining proper trade capture process for executing power supply contracts.
5. Complete and precise capture of transaction data.
6. Meaningful summarization and accurate reporting of transactions and other activity at regular intervals.
7. Consultation with legal counsel on all legal issues related to this Policy.
8. Timely and accurate risk and performance measurement at regular intervals.
9. Compliance reviews to ensure that this Policy and the EPRM Regulations are adhered to, with specific guidelines for resolving instances of noncompliance.
10. Active participation by senior management in risk management processes.
11. CPCNH and service providers relied upon to provide for operations will be appropriately subject to regular audits.

The RMC is responsible for ensuring that the EPRM Regulations provide for the controls required to implement this Policy. The required controls shall include all customary and usual business practices designed to (1) prevent errors and improprieties, (2) ensure accurate and timely reporting of results of operations and other information pertinent to management, and (3) facilitate attainment of business objectives.

### **Transaction Structures and Authorization**

CPCNH will transact in certain types of physical and financial products to mitigate various risks outlined in this policy. CPCNH shall have authorization to transact the following products subject to the enabling procedures and limits set forth in the EPRM Regulations:

- ✦ Physical power (e.g., Internal Bilateral Transactions (IBTs), physical tolls, etc.).
- ✦ Financial power or gas swap or futures (e.g., fixed-for-floating swaps, basis swaps, exchange-traded futures contract).
- ✦ Financial power or gas options.
- ✦ Financial Transmission Rights (FTR) obligations.
- ✦ Financial Transmission Rights (FTR) options.
- ✦ Environmental products to meet the Renewable Portfolio Standard (RPS).
- ✦ Products to hedge ISO-NE non-energy costs (Capacity, Ancillaries, etc.).



The RMC is responsible for ensuring that the EPRM Regulations authorize transaction types in accordance with this policy.

### **Segregation of Duties**

CPCNH will ensure that integrated but separate responsibilities are in place to control risks with clearly defined roles and responsibilities for the Front Office, Middle Office, and Back Office. Those responsibilities will be delegated to third parties until CPCNH assumes some or all of those functions. CPCNH will maintain oversight functions of these defined roles and ensure they are performed in compliance with this policy.

### **Conflicts of Interest**

CPCNH Directors, Officers, Alternates, Employees, Volunteers, consultants, and any other person acting for or on behalf of CPCNH — except for employees of Members who are not Directors or Alternates, acting in a ministerial (i.e., non-decisional) capacity as part of their public employment — are bound by the terms of CPCNH’s Conflict of Interest Policy, unless otherwise noted in contractual agreements between CPCNH and said parties.

CPCNH employees engaged in energy supply resource transactions, counterparty credit evaluation or oversight of the foregoing, are barred from directly investing in or otherwise having a direct financial interest in any company with whom CPCNH has consummated energy or related purchases or sales within the last two years.

## **Roles, Responsibilities & Organization**

This section defines the overall roles and responsibilities for implementation of this EPRM Policy. The coordinated efforts of personnel across several divisions are required to successfully implement CPCNH’s risk management program. The basic roles and responsibilities of each organizational function are outlined below.

### **CPCNH Board of Directors**

The Board has the ultimate oversight over CPCNH operations and is responsible for establishing an organizational-wide framework for risk management and ensuring that risk management results are achieved as planned. The Board shall approve and establish organizational policies for risk management and delegate to the CEO the responsibility for implementing the EPRM Policy. With responsibility for the ultimate oversight over CPCNH operations, the Board shall be responsible to ensure that risk management results are achieved in accordance with this policy.

### **Chief Executive Officer or Board Chair**

The CEO (or alternatively hereafter, in the absence of the CEO, the Board Chair) has specific and overall responsibilities for implementing the EPRM Policy and for communicating risk management issues to the Board. The CEO shall be responsible for delegating specific duties for carrying out the policy and ensuring compliance with it by all affected CPCNH employees or contractors. The Board acknowledges





that the CEO may delegate certain functions to the RMC, where delegation is ratified by this policy.

### **Risk Management Committee (RMC)**

The RMC is responsible for maintaining and overseeing compliance to this policy. The primary responsibility of the RMC is to ensure that the procurement activities carried out on behalf of CPCNH are executed within the guidelines of this Policy and are consistent with the Member's goals. RMC is responsible for:

- ✦ Evaluating and voting on all proposed hedging recommendations.
- ✦ Determining if changes in the hedging strategy, or changes to this policy, are warranted.
- ✦ Understanding the financial and risk models relied upon to support hedging decisions.
- ✦ Understanding and reviewing the risk reports used to monitor for compliance with this policy.
- ✦ Reviewing the effectiveness of all hedging and procurement activities.
- ✦ Reviewing any reported violations to this policy.

### **Front Office**

CPCNH's Front Office role has the responsibility for managing CPCNH's market price risk associated with Member CPA load serving requirements. The Front Office is responsible for:

1. Analyzing fundamental factors affecting load and supply, and net position.
2. Analyzing CPCNH's net position's exposure to market price risk.
3. Communicating results to the RMC and proposing transactions within the limits of this policy to balance those positions.
4. Recommending additional transaction types for approval by RMC, pursuant to the EPRM Regulations.
5. Negotiating the price and structure of hedging transactions with counterparties.
6. Transacting with counterparties only after approval from the RMC or within delegated limits approved by the RMC, and subject to those transactions:
  - Being for an approved product and executed with a counterparty with an approved credit limit.
  - Being duly authorized, within risk limits, and not causing either aggregate or individual counterparty credit limits to be exceeded.
  - Utilizing contract terms intended to minimize the risk of loss if a counterparty fails to deliver, take delivery, or pay for transactions provided.
  - Being executed and documented following standardized procedures.



- Complying with applicable laws, regulations, and court orders.

CPCNH's Front Office will maintain a list of authorized personnel approved to transact by the RMC. Any requested changes to the list of authorized personnel will be subject to RMC approval.

### **Middle Office**

CPCNH Middle Office will provide independent oversight of the Front Office functions and adherence to this policy. The Middle Office is responsible for:

- ✓ Providing independent oversight of load, supply, hedge positions, and net position.
- ✓ Maintaining the list of approved products.
- ✓ Ensuring accurate market curves used in valuation and risk management.
- ✓ Overseeing and validating the risk management models including prices, price volatilities and price correlations used in price simulations.
- ✓ Ensuring accurate load forecasts and load simulations.
- ✓ Calculating Counterparty Credit Exposure.
- ✓ Preparing position and risk reports for and providing feedback to the RMC.

### **Back Office**

CPCNH Back Office Functions will provide the administrative activities to support the execution of Front Office transactions. The Back Office will provide a wide range of supporting activities necessary to settle transactions with counterparties and support Middle Office risk control responsibilities consistent with this policy.

The Back Office has the responsibility for ensuring that transactions with counterparties meet all the terms intended by the Front Office. Primary responsibilities are:

- ✓ Confirmation of all transactions and reconciliation of differences with the counterparty.
- ✓ For exchange traded products through a clearing broker, the Back Office should balance daily with the broker statement.
- ✓ Reviewing transactions adherence to approved limits.
- ✓ Ensuring all trades have been entered into the system of record.
- ✓ Monitoring Counterparty Credit Exposure and report mark-to-market exposures relative to contractual contract requirements.

### **Authorities, Delegations, Limits, and Prohibitions**

All executed transactions shall conform to the policies set forth herein. It shall be the responsibility of the RMC, with approval of the CEO, to establish appropriate



individual transacting authority limits for the various personnel and contractors involved in the Front Office function in the EPRM Regulations.

All staff and contractors with designated responsibility for Middle Office or Back Office functions are strictly prohibited from executing any wholesale transactions. The Middle Office shall be responsible for informing counterparties of such approved authorizations, including transacting authority and restrictions, along with product types and/or term and dollar limits.

## **Policy Compliance**

### **Compliance Exceptions**

Compliance exceptions are actions which violate the authority limits or directives set forth herein or in the EPRM Regulations as developed and adopted pursuant hereto by the RMC.

### **Reporting of Exceptions**

Exceptions to mandated policies, procedures and regulations shall be reported to the RMC within two business days after they are identified, and the Front Office shall prepare a full report for review and discussion at the next RMC meeting.

### **Independent Performance Evaluations**

Compliance with this EPRM Policy, and with the specific requirements of the EPRM Regulations instituted pursuant to this policy, shall be subject to examination by CPCNH's independent auditors or by such other reviewers that CPCNH may appoint to evaluate the effectiveness of mandated controls. Pursuant to CPCNH's Joint Powers Agreement:

1. The RMC shall commission an independent agent to conduct and deliver to the Board and to the Members at the Annual Meeting an evaluation of the operational performance of CPCNH relative to the Enterprise Risk Management Policy (including this EPRM Policy) and as otherwise requested by the Board.
2. CPCNH shall budget an amount necessary for the evaluation as determined by the RMC, which shall cause to be hired a firm or individual that has no other direct or indirect business relationship with CPCNH.
3. The evaluation shall be conducted at least once every two years, starting within three years of the initial provision of electricity supply to a Member CPA.
4. No individual or firm may be hired to conduct more than two consecutive evaluations.

### **Reserves**

Reserve levels shall be reviewed monthly by the Finance Committee.



## **Internal Systems, Tools, and Staff Training**

CPCNH employees who are authorized to perform energy risk management functions on behalf of CPCNH shall be provided with the necessary systems and tools to support all risk management processes.

Commensurate to the level of portfolio risk management functions performed by CPCNH staff:

- ⚡ Provision shall be made in the budget for the acquisition and maintenance of computer systems, software, communications equipment, data services and other analytical, measurement and reporting tools.
- ⚡ Provision shall also be made in the budget for managers and staff to attend seminars and courses in risk management on a regular basis.



## RETAIL RATES POLICY

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### Purpose

This Retail Rates Policy outlines the requirements, objectives, rate setting authorities, rate setting processes, Member rate product and Discretionary Reserve adder election procedures, and different types of rate structures, products, and content of the Community Power Coalition of New Hampshire (CPCNH).

### Requirements and Objectives

Member Electric Aggregation Plans typically require the CPA to offer default rates to one or more customer groups that are lower than or competitive with utility default rates at the time of launch. CPCNH shall only launch new Member CPAs subject to meeting any such requirements.

Thereafter, CPCNH will strive to maintain default service rates that are lower than or competitive with utility default service rates on average and over time — acknowledging that utility rates may dip below CPCNH rates on occasion, for short periods of time, due to market volatility and other factors.

Rates will be set at a level such that revenues from CPA customers are projected to meet or exceed CPCNH's ongoing operating and capital costs, inclusive of financial reserve targets, and other requirements set by the Board.

- ✦ Rate setting will be performed in concert with hedge decision making, as different rate structures may impact the appropriate hedging approach, in accordance with the procedures and methodologies summarized in the Energy Portfolio Risk Management Regulations (EPRM Regulations).
- ✦ CPCNH shall strive to provide innovative rate structures and offers that maximize choice and create value for CPA customers and for the Members, while aligning to the extent beneficial, allowable, and practical within and across CPA service territories.
- ✦ Changes to CPCNH default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.
- ✦ Pursuant to RSA 53-E, CPCNH rate setting shall ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories when setting default service rates.
- ✦ Pursuant to Puc 2204.05, CPCNH shall provide for the proper advance notice of rates to new customers, and update customer rate information whenever it changes, but no less frequently than once per month, on the New Hampshire Department of Energy's Shopping Comparison website.

CPCNH shall comply with all other applicable statutory and rule requirements.



## **Electric Assistance Program Discounts**

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. CPCNH will support income eligible customers who enroll in the Electric Assistance Program to receive their discount. Discounts are funded by all ratepayers as part of the System Benefits Charge, which is charged to all customers and collected by the distribution utilities. At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility. CPCNH will therefore elect utility consolidated billing to bill all customer accounts known to be enrolled in the Electric Assistance Program.

## **Policy Amendments**

The Board must approve amendments to this Policy. Advance written notice of Board meetings at which changes to this Policy are proposed shall be sent to the principal executive officers of each Member by the CEO. Subsequently, prompt written notice of the effective date of such amendment shall be sent to the principal executive officers of each Member by the CEO.

## **Default Rate Setting Process**

The CEO, in consultation with the Risk Management Committee and the Finance Committee — or in the absence of the CEO, the Risk Management Committee, in consultation with the Finance Committee — shall recommend default rates to the Board for approval with sufficient notice to be implemented commensurate with regulated default utility rate changes, or otherwise as deemed necessary to support the requirements and objectives of this Policy.

The Risk Management Committee and Finance Committee shall each convene at least one public meeting to provide for deliberation and public input regarding changes to default rates.

Advance written notice of Board meetings at which changes to default rates are proposed shall be sent to the principal executive officers of each Member by the CEO. Subsequently, prompt written notice of approved default rate changes shall be sent to the principal executive officers of each Member by the CEO.

## **Member Elections of Rate Products and Discretionary Reserve Adders**

Pursuant to this policy, individual Members will be provided the opportunity to elect to offer different rate products on a default and opt-in basis and to elect to adjust their CPA's default and opt-in rates to include an adder for the accrual and use of Discretionary Reserves, as provided for under the Financial Reserves Policy.

Any such elections of rate products and/or Discretionary Reserve adders must be approved by both the CEO and the Member's governing body, or the Member's Representative or other individual authorized pursuant to a delegation of such



authority by the Member's governing body or approved Electric Aggregation Plan, in advance of or during the meeting at which changes to default rates are approved by the Board.

### **Emergency Default Rate Adjustment Authority**

This Policy acknowledges that, while rate structures or levels may be expected to persist for an expressed and/or intended period of time, unexpected events may warrant an immediate indefinite or temporary rate adjustment. Sound portfolio risk management will in most cases prevent the necessity of such action. However, risk factors such as market price risk may lead to a situation for such action to mitigate cash reserve constraints.

The Board must approve emergency rate adjustments as necessary to maintain the financial integrity of CPCNH. Prompt written notice of emergency rate adjustments shall be sent to the principal executive officers of each Member by the CEO.

### **Rate Structure Types**

CPCNH may offer CPA customers the following rate structures:

#### **Discount to Utility Tariff Rates**

A rate structure that is discounted relative to utility rates ensures customer savings. This rate structure mitigates attrition risk. It will be based upon an expressed percentage discount to the rates offered by a customer's incumbent utility.

#### **Fixed Price Cost of Service Based Rates**

A rate structure that is based upon a budget build-up of cost of service, and/or another method whereby CPCNH offers a defined fixed price rate, is different than a discount to a utility rate. While it may be lower than a utility rate at inception and/or intent, a fixed rate could move above the utility rate due to wholesale market price movements, non-energy cost changes and/or regulatory changes impacting prices.

#### **Time of Use (TOU) Rates**

Time of use rates are rates that employ different pricing based on periods of time during a given day (e.g., daytime, nighttime) and/or weekday (e.g., weekday, weekend). Time of use rates incent customers to consume electricity at times that are lower cost and/or more environmentally friendly.

#### **Net Metering Rates**

Net metering rates allow a customer to benefit from behind-the-meter generation and possibly electricity storage capabilities through periodic meter reads where, at the end of the billing period the customer is charged for their net positive load (consumption) or if they have net exports to the grid at the end of the billing period they are either: 1) credited for those net exports to the grid on a kWh basis, such that they can carry forward a negative kWh balance to offset future consumption, or 2) get paid a rate for the surplus kWh exported to the grid and zero out their net kWh



usage. This rate construct is typically indifferent to the time of behind-the-meter generation, production, or customer consumption, but may be provided with TOU rates.

Generation in excess of a customer's usage each month is accounted for as a reduction to the CPA's wholesale load obligations by the utility, net of any applicable line loss adjustments, as approved by the Public Utilities Commission.

Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from their utility, as specified under the terms of their applicable net energy metering (NEM) tariff.

### **Index Plus Adder Rates (Pass-Through)**

Index rates take hourly (or, as contemplative of technology that may allow, subhourly) consumption and multiply a loss adjustment factor and an ISO-NE New Hampshire Zone power price, plus a CPCNH administrative adder, to arrive at an effective monthly cost based predominantly on market-based prices. Index rates should typically not be hedged, and the customer should bear all price risk under such arrangement, provided, however, that a collar or sleeve product that sets an upper and lower limit to such index prices for some period of time may be available for a price that covers the cost and risk of such a hedge. Demand flexibility options may be priced and included in the product.

### **Fixed & Index Blend and/or Variable Term Rates**

Likely of particular interest to non-residential customers, a Fixed & Index blended rate would be a combination of a fixed price rate as expressed above and an index rate as expressed above. The offering could be fixed to 50/50 or some other risk sharing split of the fixed and index portion. CPCNH should only hedge the fixed portion. Non-residential customers may also be interested in such rate for varying term lengths, such as for 12- or 24-month periods, which may be subject to meeting certain contractual, creditworthiness, and/or collateral posting requirements. Demand flexibility options may be priced and included in the product.

### **Other Rate Structures**

This policy precludes CPCNH from offering rate structures not expressly authorized herein, such as tiered rate structures (progressive or regressive), total dollar "all-you-can-consume" fixed cost offers, and rate structures that utilize a demand charge. Board approval is required to authorize additional rate structures.

## **Rate Product Types and Approval Authorities**

CPCNH is authorized to provide or offer CPA customers the following rate products:

### **Default Service**

Default Service shall be the default rates selected to offer CPA customers in each utility territory, priced relative to the prevailing utility default rate, and, if practical,





based upon the same or a comparable structure as the prevailing utility rate structure, as approved by the Board.

### **Member Default Service Election**

The Member Default Service Election is an exception to the Default Service Offer that would extend a default rate to the residents and/or businesses of a Member CPA different than other communities or CPCNH customers at large. Community offers may be rates that are higher or lower than the Default Service Offer, to reflect a different product content (e.g., higher or lower renewable and/or carbon-free content).

CPCNH shall provide Members with a schedule by which to request Community Default Service Offer Elections, which are subject to Board approval in consultation with the Risk Management Committee.

### **Local Power Offer**

The Local Power Offer acknowledges and integrates the rate impact of local generation projects (e.g., a local community solar project), community investment programs (e.g., investment in EV charging stations), or other programs or projects benefiting a targeted community.

Subject to the terms of a Project Contract, or Board approval in the absence of governing terms in a Project Contract, the Local Power offer may extend a default or custom rate to the residents and/or businesses of a Member CPA different than other communities and customers.

### **Alternate Customer Rate Options (Opt-Up or Opt-Down)**

Customers may select an optional rate extended by CPCNH through expressed choice of an alternative rate offer instead of Default Service. The option is held by the customer and CPCNH shall not move customers to an alternative rate without customer consent.

Alternative Customer Rate Options will be subject to Board approval at the same time as Default Service rates. Alternative Customer Rate Options shall be offered under the same rate structure as Default Service and may additionally be offered as a time-of-use rate.

### **Net Energy Metering Offer**

CPCNH will provide new rates and terms that compensate or credit participating customer-generators for the electricity supply component of their net metered surplus generation.

For group net metering, to the extent CPA default rates are lower than utility default rates, it may be most advantageous for the host customer-generator to remain a utility default service customer, while the other group members may enroll in CPA supply and continue to receive on-bill credits for their participation in the group.



Additionally, CPCNH will pursue additional development of NEM rates and programmatic enhancements that benefit and encourage customers to adopt distributed generation.

Net Metering terms, conditions, and rates for compensating and crediting different types of NEM customer generators will be set by the Board and fully disclosed to all prospective NEM customers through the program’s enrollment notification process and thereafter.

### Non-Residential Additional and Custom Offers (Opt-In)

CPCNH may offer non-residential customers Index Plus Adder (Pass-Through) Rates, Fixed & Index Blend Rates, and/or Variable Term Rates thereof. Demand flexibility options may be priced and included in the product, to encourage and incentivize customers to shape their electricity usage patterns, including for the objective of lowering peak charges.

### Rate Product Content and Member Elections

CPCNH shall offer the following rate products and contents:

PRODUCT	CONTENT *	MEMBER ELECTIONS
Granite Basic	Minimum RPS Content (23.4%)	Default, opt-down/in, or N/A**
Granite Plus	33% Renewable or Carbon Free	Default, opt-up/in, or N/A**
Clean 50	50% Renewable or Carbon Free	Opt-up/in or N/A
Clean 100	100% Renewable or Carbon Free	Opt-up/in or N/A

\* Specified percentages are minimums (floors).

\*\* One of these two products must be offered as Default Service

### Member Elections

Each Member shall be provided the opportunity to elect whether to offer “Granite Basic” or “Granite Plus” as a default product, by customer class or as otherwise determined by the Board and will be advised on the cost implications of such elections by the CEO. Absent any election, “Granite Basic” shall be the default product.

Each Member that elects “Granite Plus” as their default product may also elect to offer “Granite Basic” as an opt-down choice for customers seeking the most affordable rate product. Absent any election, “Granite Basic” shall be offered as an opt-down/in product.

Each Member shall be provided the opportunity to elect whether to offer “Clean 50” and/or “Clean 100” as opt-up/in products. Absent any election, “Clean 50” and “Clean 100” shall be offered as opt-up/in products.



## **Product Content**

Carbon-free content is power that is reported as carbon-free on an Environmental Disclosure label pursuant to Puc rule 2205.11.

Renewable content that is in addition to the minimum requirements of the New Hampshire Renewable Portfolio Standard shall be provided by Renewable Energy Credits pursuant to RSA 362-F, with a preference for sourcing Renewable Energy Credits from in-state generation.



## FINANCIAL RESERVES POLICY<sup>2</sup>

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### Purpose

This Financial Reserves Policy establishes minimum, target, and maximum levels of cash reserves that will be jointly accrued, used, maintained, and monitored by CPCNH, on behalf of all Members (“Joint Reserves”), and provides for the collection of Joint Reserves in excess of the maximum target joint reserve level to be applied at the discretion of individual Members (“Excess Reserves”). Separately, the policy allows for the collection and use of additional reserves at the sole discretion of each individual Member (“Discretionary Reserves”).

Joint Reserves, Excess Reserves, and Discretionary Reserves are collectively referred to herein as “reserves”.

### Objectives

Reserves are accrued and maintained by CPCNH on behalf of and for the benefit of Member CPAs. The establishment of Joint Reserves, pursuant to this policy, is intended to secure the following objectives:

- 1. Protect against emergency default rate adjustments.** Reserves can help minimize the risk that rates, after being set for a given period, would need to be quickly adjusted upwards due to market volatility (power supply shocks), weather impacts on demands, economic downturns, emergencies (such as natural disasters), and regulatory changes.
- 2. Strive to adjust rates gradually over time.** In a rising price environment, reserves may be used to spread out the impact of price increases on customers over multiple rate setting periods. For example, if market prices are expected to increase over the medium-term, deciding to collect additional reserves over the near-term (when prices are lower) would later allow more funds to be used to offset rate increases in later periods, thereby adjusting rates more gradually and predictably for customers over time.
- 3. Ensure cash availability when net revenues are unavailable.** To bridge seasonal times of the year that normally see temporary low or negative net revenues, which would otherwise require CPCNH to have sufficient credit to maintain liquidity.
- 4. Lower and avoid interest expenses.** To avoid interest expense to cover short-term cash shortfalls, first by accruing reserves sufficient to execute a credit facility for CPCNH, and subsequently by having sufficient reserves to use in place of credit or debt instruments. CPCNH intends to negotiate and directly execute a credit facility on behalf of Member CPAs within the first year of operations.

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<sup>2</sup> Amended at 5/25/23 Special Membership Meeting to add section entitled “Provision of Fractional Reserve Settlements for Member Departing Load” on page 27.



- 5. Enable the development of local energy projects.** Project developers typically seek to contract with entities that are willing and able to commit to paying for electricity over a 10 year or longer period. The accrual of financial reserves hereunder is intended to provide CPCNH with the financial stability required to be a creditworthy counterparty for the purposes of soliciting and entering into long-term contracts to develop local energy projects on behalf of participating Members.
- 6. Achieve a credit rating and maintain good standing with rating agencies.** After accruing sufficient reserves, CPCNH can apply for a credit rating, which would allow power to be secured at lower costs, that is, without posting credit enhancements, for the benefit of all Member CPAs. CPCNH intends to achieve and maintain strong financial performance metrics sufficient to receive an investment-grade credit rating within three-to-five years after launch.
- 7. Manage risks identified in the Energy Portfolio Risk Management Policy,** such as those associated with market prices, counterparty credit and performance, load volumes and net revenues, gross margin levels, liquidity and collateral requirements, regulatory and legislative policy changes, and gross margin levels.
- 8. Establish clear expectations between the Board of Directors, staff, contractors, and suppliers of electricity to CPCNH.** A formal reserve policy creates a shared understanding of the proper level and use of reserves.

## Rights of Members to Reserve Contributions

### Member Reserve & Cost Allocation Accounting

Reserve contributions shall be tracked and accounted for on behalf of each Member CPA. For each Member, reserves accrued shall be adjusted to reflect the equitable allocation of costs between Members pursuant to Cost Sharing Agreements.

To the extent that provisions in this policy are inconsistent with the Cost Sharing Agreements entered into by Members, the Cost Sharing Agreements shall control.

### Member Accrual and Usage of Discretionary & Excess Reserves

Individual Members that request to adjust their CPA's default and opt-in rates to include an adder for the accrual of Discretionary Reserves, pursuant to the Rates Policy, will accrue reserves that are separate from Joint Reserves. Such reserves shall be tracked, accounted for, and transferred to the individual Member or otherwise applied or held by CPCNH as directed by the individual Member's governing body.

Joint Reserves that accrue in excess of the Maximum Operating Reserve Level hereunder are Excess Reserves, which shall be allocated back to Members for use as Discretionary Reserves.

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.



## **Member Reserve Settlements Upon Withdrawal or Termination**

If a Member withdraws from CPCNH or is involuntarily terminated, the balance of any reserves accrued by the Member will be distributed or applied as directed by the Member's governing body, after satisfaction of the Member's contractual obligations with CPCNH and in accordance with any applicable law and regulation.

## **Provision of Fractional Reserve Settlements for Member Departing Load**

If a) a municipality participating in a county plan withdraws or otherwise departs from a Member CPA, or b) a municipality and/or county withdraws or otherwise departs from a Member CPA comprised of a group of such entities operating jointly pursuant to RSA 53-A, then an equitable portion of the reserves accrued by the Member CPA will be distributed or applied for the benefit of the withdrawing or departing entity in accordance with the Member CPA's contractual obligations with CPCNH and any applicable law and regulation.

## **Joint Reserve Target Levels Established**

Joint reserves will be used to honor financial commitments and will be used to cover the operations of CPCNH over a number of days in the event of emergencies or other significant unforeseen events, amongst other goals outlined in this policy.

For purposes of this policy, Joint Reserve levels are defined as a projected or estimated amount accrued at the conclusion of a forecasted period.

Three target levels of Joint Reserves are defined below, which shall be in addition to any financial covenants entered into by CPCNH, relative to the forecasted expense of operations as reflected in CPCNH's budget:

1. Minimum Operating Reserve: reserves sufficient to cover 60 days of operations.
2. Target Operating Reserve: reserves sufficient to cover 120 days of operations.
3. Maximum Operating Reserve: reserves sufficient to cover 180 days of operations.

Rates shall be set to accrue Joint Reserves sufficient to meet the target levels on a forecasted basis, as follows:

1. To reach the Minimum Operating Reserve level within 3 years.
2. To reach the Target Operating Reserve within 5 years.
3. The Maximum Reserve level would provide strong protections against any significant adverse events and represents a longer-term goal.

## **Joint Reserve Target Levels Maintained**

### **Replenishment of Minimum Reserves**

Once Minimum Reserves levels are initially achieved, should CPCNH drawdown reserves below the Minimum Operating Reserve level, CPCNH will implement plans



to return reserves to their minimum targets within two (2) years on a rolling forecast basis. The CEO shall oversee the preparation and submittal of such plans in subsequent budget and rate discussions with the Board.

### **Reserves between Minimum and Maximum**

To the extent that reserves are above the Minimum and below the Target Operating Reserve level, continued consideration should be given to the rate that reserves are accumulating toward the Target Operating Reserve.

To the extent that reserves are above the Target Operating Reserve and below the Maximum Operating Reserve level, no action by CPCNH would be required.

## **Joint Reserve Forecasting, Reporting, and Evaluation**

### **Regular Forecasting of Reserve Levels**

The conditions for use of reserves, being expressed as a percentage of the reserve level at the conclusion of a rolling 12-month forecast basis, require the reserve level to be regularly updated on a projected basis.

The reserve level forecast methodology shall be approved by Risk Management Committee, reviewed by the Finance Committee, and periodically assessed and updated as required to ensure appropriate reserve levels are maintained and funded.

The Risk Management Committee, supported by staff and contractors, shall ensure that the reserve level forecast is updated and reported to the Finance Committee and Board of Directors at each regular meeting.

The Treasurer shall report the reserve level in quarterly and annual financial reports.

### **Periodic Review of Reserve Target Levels**

Reserve target levels shall be periodically reviewed for consistency with industry standards by the Risk Management Committee. If significant risk factors are eliminated or significant new risks emerge as a result of changes in the industry, legislation, or economic conditions, the basis of the reserve policy shall be reviewed, and the funding level shall be adjusted accordingly. Unless the Reserves are lower than 120% of the minimum levels, formal Reserve funding discussions with the Board may be deferred until the next budget process.

### **Annual Consideration of Forecasted Reserve Levels and Targets**

An analysis of over or under forecasting of reserve levels during the fiscal year shall be made in conjunction with year-end financial results. These results will be reported to the Board of Directors as part of the year-end financial report presentation.

The Board shall review and consider the target reserve levels defined in this Policy, in the context of CPCNH's overall financial condition and taking under consideration changes to the industry and/or CPCNH's exposure to the risk factors defined in the Enterprise Risk Management Policy.



## **Conditions for Use of Joint Reserves**

A temporary reduction in cash consistent with the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected over the course of any 12-month period, and do not constitute an expenditure of Joint Reserves.

The use of Joint Reserves is defined as an expenditure that is forecasted to result in a more than 10% reduction of the reserve level, relative to its then-prior forecasted level at the conclusion of the fiscal year, or \$10 million, whichever is greater.

The use of Joint Reserves is subject to approval by the Board. However, the CEO has the authority to use reserves for operating liquidity in emergency situations in consultation with the Board Chair and either the Vice Chair or Treasurer, and such actions must be noticed to the Board in the next meeting.

## **Board and Membership Authority to Amend**

The Board may, by resolution, modify or suspend any provision of this Policy for any duration at any time, except that the provisions under this section, “Board and Membership Authority to Amend,” and under “Rights of Members to Reserve Contributions” may only be modified or suspended by a written amendment unanimously approved by the votes cast at a meeting of the Membership at which a quorum is present.

The CEO or Board Chair shall send written notice of any proposed amendments to or suspension of the provisions under this section and under Rights of Members to Reserve Contributions to the Member Representatives and principal executive officers of each Member at least fourteen (14) days prior to such meeting at which it is to be acted upon. Subsequently, prompt written notice of the effective date of such amendment or suspension shall be sent to the Member Representatives and principal executive officers of each Member by the CEO or Board Chair.





## Definitions

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- ⚡ “Board” means the Board of Directors of CPCNH.
- ⚡ “CEO” means the Chief Executive Officer of CPCNH, or, in the absence of a CEO, the Board Chair (unless where otherwise provided for in the policies).
- ⚡ “Cost Sharing Agreements” means the agreements entered into by CPCNH and individual Members pursuant to Article V, Section 3 of the CPCNH Joint Powers Agreement.
- ⚡ “CPA” means Community Power Aggregation.
- ⚡ “CPCNH” means the Community Power Coalition of New Hampshire.
- ⚡ “EPRM Policy” means the Energy Portfolio Risk Management Policy.
- ⚡ “EPRM Regulations” means the Energy Portfolio Risk Management Regulations.
- ⚡ “ERM Policy” means the Enterprise Risk Management Policy.
- ⚡ “GAAS” means generally accepted auditing standards.
- ⚡ “ISO-NE” means ISO New England, Inc., the entity serving as the regional transmission operator and which oversees the operation of New England's bulk electric power generation and transmission system and administers the regional wholesale markets for electric energy and other electricity products, or its successors.
- ⚡ Financial power or gas swap or futures. Includes fixed-for-floating swaps, basis swaps, exchange-traded futures contracts. Swaps and futures are financial settled instruments based on the difference between a fixed and floating reference price times a contracted volume. CPCNH could be the fixed side or float side of the settlement depending upon whether is buying or selling financial power.
- ⚡ Financial power or gas option. The buyer of an option pays a premium to have the right, but not obligation, to exercise the option prior to expiry and receive a financial settlement.
- ⚡ “Financial Transmission Rights (FTRs) obligations”: An FTR provides the FTR holder a revenue stream that equals the quantity of the FTR multiplied by the hourly price difference (day-ahead) between the source and sink locations specified in the FTR. An FTR can be used by CPCNH as a Load Serving entity to hedge congestion risk between a load zone and a supply location such as a generator or hub. The payoff of a FTR can be positive or negative,
- ⚡ “Financial Transmission Rights (FTRs) options”: FTR option buyers pay a premium to have the right, but not the obligation to exercise the payoff of an FTR settlement.



- ⚡ “Gross Margin at Risk” is a measure of the potential adverse changes in net revenues for a given time period and confidence level.
- ⚡ “IBT” or “Internal Bilateral Transaction” is a contract tool that transfers the ISO load obligation between the buyer and the seller. Participants with load or generators often sign bilateral contracts with each other to obtain price certainty rather than risking the uncertain energy market price. A Buyer’s load obligation decreases and therefore pay less to the ISO while a Seller’s load obligation increase and pay more to the ISO.
- ⚡ “Load Serving Entity (LSE)” means an entity that is registered with ISO-NE as a market participant and secures and sells electric energy and related services, which may include transmission service if not provided by the distribution utility, to serve the demand of end-use customers at the distribution level.
- ⚡ “MTM” or Mark-to-Market is a measure of the current replacement value of physical or financial contracts based on prevailing market forward curves, rather than the book value.
- ⚡ “NRSRO” means nationally recognized statistical rating organization.
- ⚡ “Physical Power Purchases and Sales”: see IBT.
- ⚡ “Potential Future Exposure for counterparty credit risk” means the maximum MTM counterparty exposures for a given time period and confidence level.
- ⚡ “Potential Collateral Exposure” means the maximum of collateral that CPCNH may have to post for a given period and time horizon with a given counterparty.
- ⚡ “Rates at Risk” is a measure of the potential adverse changes to CPCNH’s rate competitiveness, relative to the four default utility supply rates, for a given time period and confidence level.
- ⚡ “RMC” means the CPCNH Risk Management Committee.
- ⚡ “Financial Reserve Uncertainty” is a measure of the potential adverse change in reserves for a given time period and confidence level.
- ⚡ “Stress tests” refer to analysis of portfolio performance under stress scenarios of material risk drivers. Used to understand the potential variability in CPCNH’s projected procurement costs and resulting retail rate impacts and competitive positioning.

FOR COMMUNITIES, BY COMMUNITIES.

# Guide to CPCNH Cost Sharing Agreement

December 30, 2022



**COMMUNITY  
POWER COALITION  
OF NEW HAMPSHIRE**



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# 1 | Cost Sharing Agreement

- Fair + proportional cost sharing among Members
- Establishes “Menu of Services”
- Defines categories of cost
- Provides operational clarity to all parties
- Requires monthly cost reporting



**COMMUNITY  
POWER COALITION  
OF NEW HAMPSHIRE**  
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# Recitals, Legislative Context, & Purpose

- ⚡ RSA 53-E, Community Power Act & Public Interest
- ⚡ Date the **Member** adopted the Joint Powers Agreement (JPA) & joined CPCNH
- ⚡ NH Constitution: *“Free and fair competition in trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it”*
- ⚡ CPCNH is jointly controlled + governed by Members; operated for their mutual benefit; promotes common good, general welfare, economic vitality, and prosperity of local communities in New Hampshire; affords economies of scale and scope for Community Power Aggregation (CPA)
- ⚡ JPA requires Cost Sharing Agreement be entered into by Members to ensure costs are fairly recovered **through CPA revenues**, grants, or 3rd-party sources

# Article 1 – Purpose

- ⚡ **Fair & Proportional Cost Allocation:** Ensures that, to the extent practical, costs will be recovered from each Member’s CPA revenues in proportion to the costs that each incurs or causes.
- ⚡ **Establish Elective “Menu of Services” (Exhibit C),** beginning with “Complete Service Bundle,” execution of which delegates authority to CPCNH to implement CPA services for and collect revenues from participating retail electric customers, in accordance with CPCNH’s Risk, Rates, and Reserves policies.
- ⚡ **Provide Operational Clarity** for CPCNH in the proper execution cost tracking and allocation across Members.

# Article 2 – Amendment

- ⚡ CSA must be uniform for all Members, except with regard to:
  - Scope of Member Services elected by Members (Exhibit C);
  - Project Contracts entered into by Members (Exhibit F);
  - “Menu of Services” + “Project Contracts” lists will grow over time, as Members elect to evolve their CPAs with new offerings
- ⚡ CSA may be amended by unanimous vote at Membership meeting provided written notice is sent to Member Representatives and principal executive officers at least 30 days prior to such meeting at which it is to be acted upon.



# Article 3 – Membership

## **Members currently intending to implement CPA program service in 2023:**

City of Lebanon  
Town of Hanover  
City of Nashua  
Cheshire County

Town of Rye  
Town of Walpole  
Town of Plainfield  
Town of Enfield

Town of Exeter  
Town of Peterborough  
Town of Durham  
Town of Harrisville

## **Members in the process of authorizing CPA programs:**

City of Dover  
Town of Warner  
Town of Pembroke  
Town of Webster  
Town of New London

Town of Newmarket  
Town of Canterbury  
Town of Wilmot  
Town of Shelburne  
Town of Hancock

City of Portsmouth  
Town of Westmoreland  
Town of Hudson  
Town of Sugar Hill  
Town of Brentwood

# Article 4 – “Menu of Services”

## Election of CPA Member Services & Project Contracts

- ⚡ Menu of Services provided in Exhibit C
  - First item: “**Complete Service Bundle**,” inclusive of all services required to launch and operate initial CPAs
  - Additional services may be added over time
  - Enrollment periods for services may be pre-defined or open-ended
- ⚡ Project Contracts that individual members enter into shall be placed in Exhibit F

# Article 5 – Cost Recovery Commitment; Limitation

- ⚡ **No Taxpayer Funds:** JPA requires CSA ensure cost recovery through Member's CPA revenues, or from revenues from grants or other third- party sources.
- ⚡ Debts, liabilities, and obligations of CPCNH shall not be debts, liabilities, and obligations of the Member unless and only to the extent agreed to under a contracted Member Service (Exhibit C), or Project Contract.
- ⚡ All costs are to be recovered through rates, grants, or other 3<sup>rd</sup> party sources.

# Article 6 – Cost Reporting & Records

- ⚡ **Mandates transparency** for cost tracking & allocation.
- ⚡ Actual metered electricity will be used when available
  - Acknowledges CPCNH may employ reasonable estimations of cost causation (as per the nature of electricity supply service), depending on availability of data, with true-up to actual where possible
- ⚡ **Monthly CPCNH reporting** on costs + allocation
- ⚡ CPCNH JPA Article XIII
  - *“The books and records of the Corporation shall be open to inspection at all reasonable times to each Member and its representatives”*

# Article 7 – CPCNH Implementation Costs

**Takeaway:** **all Members** participating during **years 1 - 5** will be allocated the **same \$/MWh** share of implementation costs.

**Implementation Costs** are defined as “costs incurred or accrued by CPCNH during the Implementation Phase which are not directly allocatable to any one Member CPA, in that such costs would have been incurred or accrued by CPCNH irrespective of the participation of any one Member CPA, inclusive of interest or financing charges that continue to accrue on such costs subsequent to the Implementation Period”, less any “funds provided by Members, gifts, or grants (cash contributions) received and recorded by CPCNH as cash contributions” during the Implementation Phase.

# Articles 8 + 9 – Cost Classification & Allocation

## Definitions

**CPA Member Services Costs:** Costs incurred to provide the Complete Service Bundle, including those services CPAs require to undertake and provide Electric Aggregation Plans and Programs, such as: power supply procurement and management, data and billing, and customer service.

**General & Admin Costs:** Costs incurred for the general operation and administration of the Corporation, but not incurred specifically in connection with a particular Project or Member Service (e.g., CPCNH offices; Corporation-wide financial mgmt., business services, budget and planning, and personnel mgmt.; central mgmt. information systems; general mgmt. of the Corporation (strategic direction / member affairs), Board functions, accounting, procurement, and legal services; O&M expense; depreciation and use allowances; and interest costs).

**Direct Project Costs:** Costs incurred for a particular Project pursuant to a Project Contract

## Recovery Approach

**CPA Member Services Costs:** To the extent reasonably practicable, costs incurred specifically in relation to one Member will be recovered from that Member. Otherwise, costs will be recovered from all Members on a pro rata volumetric usage basis.

**General & Admin Costs:** Recovered from each Member on a pro rata basis in accordance with the following formula:

$$\frac{[\text{Member CPA's Annual Retail Electricity Load}]}{[\text{All Member CPAs' Annual Retail Electricity Load}]}$$

**Direct Project Costs:** Recovered directly from the Member(s) that participate in a particular Project or pursuant to the Project Contract that governs Member cost responsibility for the Project.

# Article 10 – General Terms & Conditions

- ⚡ No debt, liability or obligation of CPCNH can flow to the **Member** unless specifically agreed to in writing (Member Services & Project Contracts).
- ⚡ Indemnification and hold harmless clause for the **Member**, governing body, and certain others — provided everyone is acting in good faith.
- ⚡ Outline for dispute resolution
- ⚡ What constitutes a continuing obligation for the **Member** if you withdrew from the CSA and JPA.
  - Commits Members to honor contracts for Member Services (Exhibit C) and Project Contracts (Exhibit F).

## Article 11 – Term

- ⚡ Effective commencing upon the date the Member joined CPCNH
- ⚡ Terminates with: (1) CPCNH dissolution; (2) Member withdrawal subject to continuing obligations, OR, as otherwise specified in CSA

# 2 | Exhibits

**Exhibit A — Cost Sharing Principles**

**Exhibit B — Cost Allocation Reference Table**

**Exhibit C — CPA Menu of Services**

**I: Complete Service Bundle**

**Exhibit D — Template Cost Allocation Report**

**Exhibit E — Template Report Glossary**

**Exhibit F — Project Contracts**



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# Exhibit B – Cost Allocation Reference Table (1)

<b>Classification</b>	<b>Cost Factor</b>	<b>Allocation Method</b>
<b>General &amp; Administrative</b>	All Costs	\$/MWh forecasts and annual true-up to pro rata share of <u>actual</u> “Annual Retail Electricity Load” (JPA defined term)
<b>Direct Project</b>	Costs identified in Project Contracts	As specified in Project Contracts
	Unanticipated Costs	As directed by Project Committee vote; alternatively, Member Project Contract participation share %
<b>CPA Member Services</b> <i>Power Supply</i>	All Requirements Electricity	Member CPA actual cost
	Net Hedging	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Optional / <u>Opt-Up</u> Products	Member CPA actual cost

## Exhibit B – Cost Allocation Reference Table (2)

Classification	Cost Factor	Allocation Method
<b>CPA Member Services</b> <i>Operations</i>	Allocated Staff, Overhead & Misc. Svc	\$/MWh
	Member CPA Compliance Costs	Member CPA actual cost
	General Compliance Costs	\$/MWh
	Financing and Credit Support	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Portfolio & Risk Management Services	\$/MWh
	ISO-NE Load Serving Entity (LSE) Services	\$/MWh
	Marketing & Community Services	\$/MWh
	Customer Notifications	\$/Notice
	Data Management & Billing Services	\$/Meter
	Call Center & Customer Services	\$/Meter
	Local Program Design, Admin & Finance	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
<b>CPA Member Services</b> <i>Elective Services</i>	Additional services as authorized by the Board	

# Exhibit C: Complete Service Bundle – Recitals

⚡ RSA 53-E, Community Power Act & Public Interest

## ⚡ The Member...

- Desires to implement Community Power to further the public interest and benefit retail electric customers with access to competitive markets
- Adopted an Electric Aggregation Plan
- Executed the Cost Sharing Agreement
- Endorses CPCNH's Data Security and Privacy; Risk; Rates; and Reserves policies

⚡ CPCNH is a Joint Powers Agency and governmental instrumentality in service of the **Member** and other Members

⚡ The “Complete Service Bundle” includes all services required to launch and operate Member's CPA

# Exhibit C: Complete Service Bundle – Purpose

- ⚡ **Complete Service Bundle Definition:** all services, expertise and financial support required to “*undertake and provide Electric Aggregation Plans and Programs, such as: power supply procurement and management, data and billing, and customer service*”
- ⚡ **Purpose:** create greater financial benefit for Members collectively by:
  - Public oversight, transparency, unbiased expert advice
  - Administrative cost efficiencies and business model innovations
  - Balance of short- and long-term cost savings and fiscal stability
  - Powerful representation at NH General Court & Public Utilities Commission
  - Local programs, new rates & services, project development to lower costs

# Exhibit C: CSB – Decision-Making Framework

## *Details of choices available to each Member of:*

- ⚡ Whether and when to procure power initially on **Member's** behalf
- ⚡ Rate products offered to **Member's** customers
- ⚡ Collecting additional financial reserves for **Member's** sole use
- ⚡ Termination of this Contract, **before** and **after enrollment** of the Member's customers.

# Exhibit C: CSB – Delegation of Authority & Commitment to Act

## ***Execution of the Complete Service Bundle:***

- ⚡ Authorizes and delegates authority to CPCNH to act as agent as required to provide CPA services; Commits CPCNH to provide services
- ⚡ Commits Member to complete its responsibilities (e.g., making necessary governmental filings; obtaining/sharing data)

## ***Electric Aggregation Plan***

- ⚡ Acknowledges terms and requirements of EAPs may prevent CPCNH from providing service
- ⚡ Commits CPCNH to reviewing EAPs and, if necessary, recommending modifications

# Exhibit C: CSB – Professional Ability & Service Contracts

***CPCNH relies upon qualified service providers, consultants and personnel to provide services***

⚡ CPCNH services are predicated on:

- Contracts CPCNH has executed with service providers hired through competitive solicitations
- CPCNH's internal capacity, including staff capacity commencing with an anticipated hire of a CEO in March 2023
- The timeline by which distribution utilities implement Puc 2200 rules, which have not been fully implemented as of December 2022.

# CSB – Term; Procurement & Termination Elections

- ⚡ **Member** 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 the Member
- ⚡ **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
- ⚡ **Energy Portfolio Risk Mgmt Policy:** Initially “*Hedging shall not extend beyond 36 months from the date that CPCNH first begins providing electricity*”
  - 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 – Early Termination

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

- ✓ Upon receipt of termination notice, CPCNH shall inform **Member** 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 **Member CPA'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***

- ✓ **Member** 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 **Member CPA's** liability for outstanding costs.
- ✓ **Member** may elect to use its **allocated share of Joint Reserves** or **Discretionary Reserves**, for this purpose.

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

**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 Representatives; Principal Executive Officer

## **Amendments**

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

# CSB – Attestation of Signing Authority; Execution

***Members will attach the resolution of their governing body authorizing the execution of the Contract and other authorization documents (e.g., Electric Aggregation Plans)***

# CSB – Appendix A, Decision-Making Framework (1)

## ***CPCNH will:***

- ⚡ Assist or provide for public engagement efforts (logo, website hosted on a Dot Gov address; materials; trainings; utility registrations; call centers; print mailers; opt-in/out processing; etc.).

## ***The decision to procure power is a collective decision made by the Risk Management Committee:***

- ⚡ **Member** may elect to delay procurement up until the decision by the Risk Management Committee to commence procurement.
- ⚡ Rates will be set after procurement has concluded.

# CSB – Appendix A, Decision-Making Framework (2)

***CPCNH Risk Management and Finance Committees will deliberate and welcome public input on rate setting, resulting in a recommendation to the Board***

⚡ Member may then elect from the following product options:

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

⚡ Discretionary Reserve setting may not be available during initial launch months.

# CSB – Appendix A, Decision-Making Framework (3)

The Coalition’s decision-making framework & process is designed to afford maximum flexibility to each Member CPA while relying on collective decisions to ensure cost efficiencies & efficient administration of the power agency:

## Collective Decisions

Joint Powers Agreement establishes that all Members must execute the Cost Sharing Agreement

Coalition then prepares to procure hedges pursuant to the Risk Policy (specifies Hedge Coverage Ratios & processes to procure and manage energy portfolio)

Risk Management Committee authorizes hedging (for CPAs that do not opt-out) on a not-to-exceed price basis to meet forecasted cost & customer rates

After hedges are in place, the Risk Management Committee & Finance Committee each hold at least 1 meeting for CPA & public input → ratesetting

Retail Rates Policy establishes the types of rates, products, and terms offered to customers & Financial Reserves Policy determines how much collected in rates for Joint Reserves

Risk Management Committee (or CEO, when hired) then recommends rates to the CPAs & Board

Board convenes & approves rates for all CPAs

Coalition launches CPAs → default rate setting & Member election process repeats every ~6-months

Coalition continuously procures hedges & manages risk for CPAs unless they elect to terminate services

## Member CPA Decisions

Executing Cost Sharing Agreement permits Member to then elect to take different services from CPCNH, by executing Member Services Contracts

Wave 1 CPAs execute the Complete Service Bundle contract

Member can choose to defer program launch by opting-out of initial hedge procurement at Risk Committee meeting

Member can terminate Member the service contract anytime before hedges have been procured for their CPA

After rate prices are set, Member chooses which rate products are offered to their customers & whether to collect additional financial reserves for their sole discretionary use

Wave 1 rate options:

PRODUCT	CONTENT *	MEMBER ELECTIONS
Granite Basic	Minimum RPS Content (23,4%)	Default, opt-down/in, or N/A**
Granite Plus	33% Renewable or Carbon Free	Default, opt-up/in, or N/A**
Clean 50	50% Renewable or Carbon Free	Opt-up/in or N/A
Clean 100	100% Renewable or Carbon Free	Opt-up/in or N/A

Note: discretionary reserve functionality likely will not be operational at launch for Wave 1 CPAs

After launch, Member CPAs can choose to terminate the service contract — *subject to advance notice requirements that ensure net costs aren't shifted to other CPAs*

**Termination of services processes in CSB, Article VII**

# 3 | Cost Allocation & Member Services Illustrations



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# Overview of Enabling Agreements

Decisions on energy procurement, customer rates & financial reserve collections for CPAs are governed by (1) Member Services Contract and (2) Energy Portfolio Risk Management, Rates & Reserves Policies:

## Cost Sharing Agreement

Overarching framework to categorize & allocate costs across Member CPAs  
Execution required for all Members  
Member's may subsequently execute Service Contracts & Project Contracts (incorporated as exhibits into CSA)

## Project Contracts

Local projects developed under longer-term agreements (separately entered into by CPAs)

## Member Services Contract

Delegates authority to CPCNH to provide CPA services  
First contract: "Complete Service Bundle" (turnkey CPA launch and operations for 3+ year term)  
Services carried out in accordance with policies

## Energy Portfolio Risk Management Policy

Specifies mechanisms, financial safeguards, reporting, and transaction / approval processes required for CPCNH to procure electricity for CPAs.

## Financial Reserves Policy

Outlines how 3 types of Financial Reserves will be established & maintained:

1. **Joint Reserves:** for long-term stability
2. **Excess Reserves:** collections not needed for Joint Reserves re-allocated for CPAs' use
3. **Discretionary Reserves:** CPA may opt to collect additional funds for own use

## Retail Rates Policy

Governs how retail rates will be set and what types of rates will be offered.

+ **Data Security & Privacy Policy** to protect individual customer data



# Member Services: Complete Service Bundle

The Coalition offers Member CPAs the full range of capabilities of a Competitive Electric Power Supplier:

## CPA Implementation Services

Marketing materials, CPA logo, and hosted Website development:

*[Member].CommunityPowerNH.gov*

Public Engagement Campaign handbook & advisory support; media & public engagement workshops for local EACs, staff & officials; outreach and Public Meeting process support

Member support for informed participation in hedge procurement and ratesetting decisions

Posting & updating CPA rates on DOE shopping comparison website

Printing, mailing & processing of opt-in & opt-out customer notices

Compliance activities (utility & ISO-NE registration requirements; utility data requests / data confidentiality; etc.)

## Retail Data Management and Billing Services

Utility Electronic Data Interchange (EDI)

Customer Data Validation and Error Resolution

Consolidated and Dual-Billing

## Retail Customer Solutions

Inbound and Outbound Call Center Operations

Interactive Voice Recordings (IVR)

Customer Relationship Management (CRM) system

[Key Account Relationship Management\\*](#)

[Digital Engagement and Orchestration\\*](#)

## Financial Planning & Services

Startup Capital & Credit Support

Secure Revenue Account Administration

Revenue Oversight, Tracking, & Validations

Forecasting, Budgeting & Ratesetting

Accounting Support and Controls

Member CPA Cost Allocation Reporting

## Enterprise Data Management

[In-house data repository & analytical tools\\*](#)

## ISO-NE Load Serving Entity Services

Wholesale Load Forecasting

Retail Load Settlement Profile Construction Validation

Load & Generation Forecasting, Scheduling & Settlements

Day-Ahead and Real-Time Market Bid Optimization

Shadow Settlements and ISO-NE Dispute Resolution

## Portfolio Risk Management Services

Energy Portfolio Planning and Risk Simulations

Hedge Valuation and Procurement

Counterparty Monitoring and Contract Management

Product Structuring & Advanced Rate Design

Market Monitoring, Position Management and Reporting

## Local Projects & Programs

[Local Resource Assessments\\*](#) & Long-Term Planning Model

Local Project Solicitations, Valuations, and Contracting

Market-Based Distributed Energy Resources Procurements

[Local Program Development Support](#)

*\*Capabilities will develop / deepen over time*

# Equation for Monthly Cost Allocation

[CPA's **hourly MWh** x ISO-NE hourly market prices]

+

[CPA's **hourly peak MW** x ISO-NE capacity charges]

[CPA's **monthly MWh** ÷ CPCNH MWh]

x

[Total General & Admin costs]

[CPA's # **customer meters**]

x

[\$ per meter service fee]

[CPA's **Project share: 0%-100%**]

x

[Project costs that month]

Electricity

+

Energy Risk Mgmt

+

Opt-Up Products

+

Optional Project(s)

+

General & Admin

+

Customer Service

=

**CPA's Monthly Costs**

[CPA's **monthly MWh** ÷ CPCNH total MWh]

x

[CPCNH cost of RECs + ISO-NE charges & credits for ancillaries & market fees + financing costs]

[CPA's **monthly MWh** ÷ CPCNH total MWh]

x

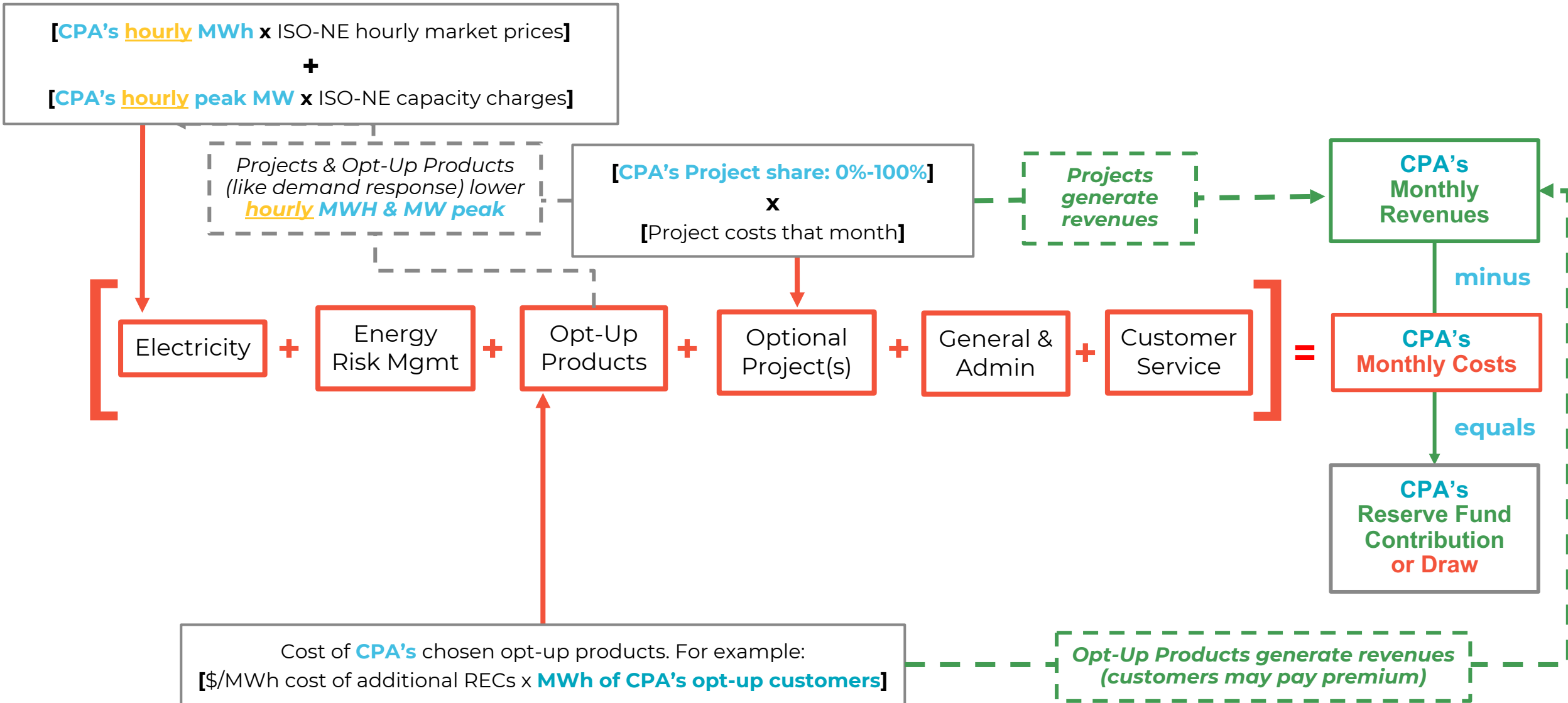
[LSE & risk mngmt service fees + net hedging payoff + hedge financing costs]

Cost of CPA's chosen opt-up products. For example:

[\$/MWh cost of additional RECs x **MWh of CPA's opt-up customers**]

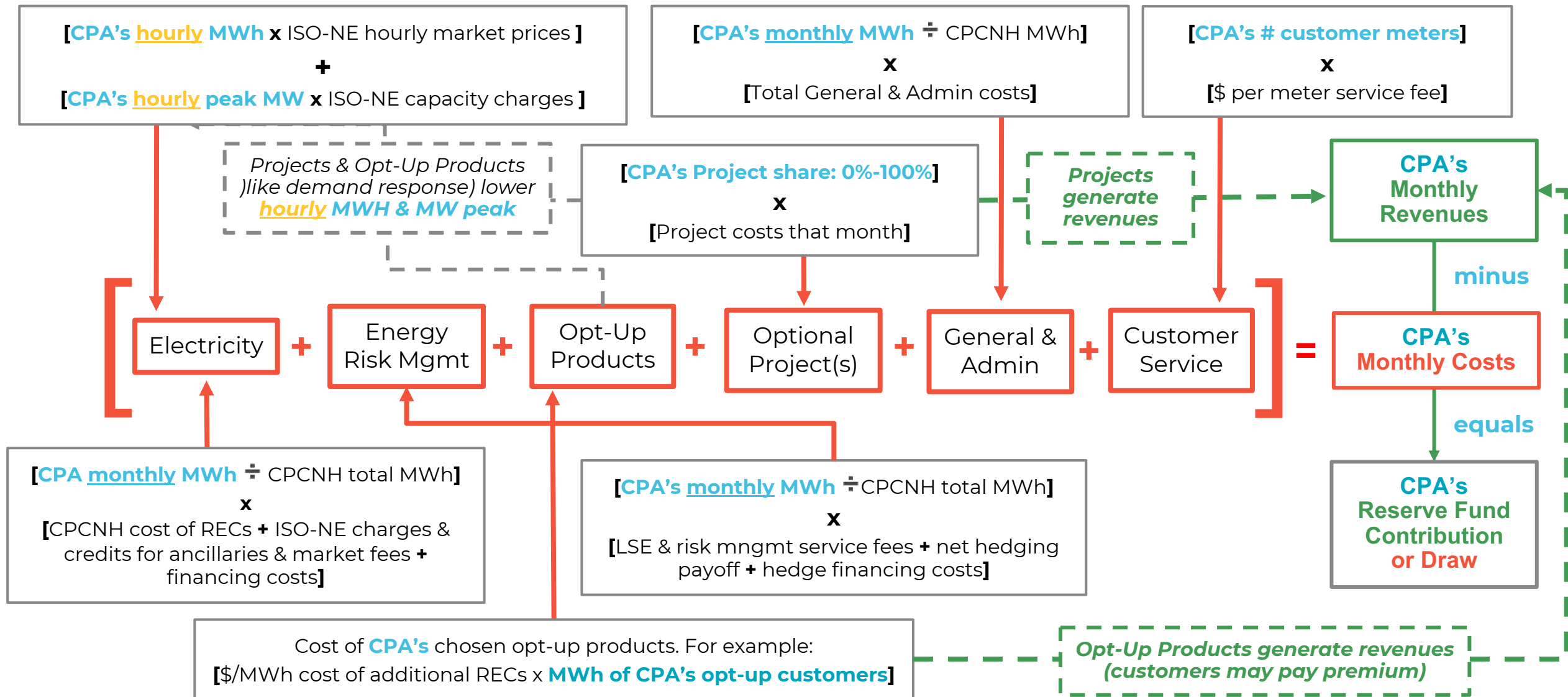
**NOTE: equation is simplified; cost computation & allocation mechanism is what is described in the Cost Sharing Agreement.**

# How Products & Projects impact Cost & Revenues



**NOTE: equation is simplified; cost computation & allocation mechanism is what is described in the Cost Sharing Agreement.**

# Combined Equation



**NOTE: equation is simplified; cost computation & allocation mechanism is what is described in the Cost Sharing Agreement.**

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<b>Policy Title</b>	Data Security and Privacy
<b>Policy Number</b>	CPCNH-2022-04
<b>Effective Date</b>	Original: December 15, 2022

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**PURPOSE**

To define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of confidential individual customer information.

**POLICY**

**WHEREAS**, the General Court adopted RSA 359-C (*the New Hampshire Right to Privacy Act*), RSA 91-A (*Access to Governmental Records and Meetings*), RSA 363:37-38 (*Privacy Policies for Individual Customer Data*), RSA 53-A:3 (*Agreements Between Government Units*), and RSA 53-E (*Aggregation of Electric Customers by Municipalities and Counties*), as amended from time to time;

**WHEREAS**, RSA 53-E:4 (*Regulation*) provides that Community Power Aggregators (“CPAs”) may use Individual Customer Data (“ICD”) for specific purposes, exempts ICD from public disclosure under RSA 91-A, requires CPAs to maintain the confidentiality of ICD in compliance with their obligations as service providers under RSA 363:37 (*Definitions*) and RSA 363:38 (*Duties and Responsibilities of Service Providers*), and provides CPAs with access to Electric Distribution Utility (“EDU”) Electronic Data Interchange (“EDI”) system;

**WHEREAS**, RSA 359-C:19, V (*Notice of Security Breach*) requires reporting of data security breaches, as defined in RSA 359-C:20 (*Definitions*);

**WHEREAS**, RSA 53-E:7 (*Aggregation Program*) required the Public Utilities Commission (“PUC”) to adopt Administrative Rules governing “*access to customer data for planning and operation of aggregations*” and other matters;

**WHEREAS**, the PUC has recently adopted Administrative Rules for CPAs, including Puc 2204.03 (*Request for Names, Addresses, and Account Numbers of Customers*), Puc 2204.04 (*Notification of CPA Commencement of Service*), Puc 2204.05 (*Notification of CPA Service Rates and Customer Enrollment*), Puc 2204.06 (*Use of Electronic Data Interchange*), Puc 2205.13 (*Individual Customer Billing Information*), Puc 2205.05 (*New Utility Service Customers*) and Puc 2205.14 (*Enabling Meter Reading Authority and Access to Interval Meter Data*), and had previously adopted Administrative Rules for Competitive Electric Power Suppliers (“CEPS”) and brokers, including Puc 2004.19 (*Protection of Confidential Customer Information*), and



**WHEREAS**, CPCNH is a Joint Powers Agency and governmental instrumentality authorized under RSA 53-A:3 (*Joint Exercise of Powers*) and RSA 53-E:3 (*Municipal and County Authorities*), pursuant to Article III of the Joint Powers Agreement of Community Power Coalition of New Hampshire, effective as of October 1, 2021, that expressly authorizes CPCNH through its CEO and Board to:

1. *“Comply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs”* (Section 2.3.11 of the CPCNH By-Laws);
2. *“Make and enter into contracts”* (Section 2.3.6 of the CPCNH By-Laws);
3. *“Make and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH’s affairs”* (Section 2.3.9 of the CPCNH By-Laws); and
4. *“Do all acts permitted... as well as any act necessary, consistent with New Hampshire law to fulfill the purposes”* (Section 2.3 of the CPCNH By-Laws) set forth under the Joint Powers Agreement, which include assisting *“member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing ... Community Power Aggregations”* (Section 2.1 of the CPCNH By-Laws);

**WHEREAS**, CPCNH and third parties under contract with CPCNH, acting on behalf of CPAs in the capacity as a service provider to CPAs, will need to access and use ICD for operational needs including for the research, development, and implementation of CPAs, new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs;

**WHEREAS**, third parties under contract to CPCNH that may require access to ICD on behalf of CPAs may include CEPS functioning as Load Serving Entities (“LSEs”) for the supply of all requirements energy, or other third-parties under contract with CPCNH to provide LSE services, as well as portfolio management, Electronic Data Interchange (EDI), Customer Information System (CIS), billing, accounting, and related services, and other contractors and academic institutions under contract with CPCNH to support the research and development of potential new energy services to offer to CPA customers;

**WHEREAS**, specific types of ICD that CPCNH and third parties contracted through CPCNH are expected to receive and possess on behalf of CPAs include:

1. Name, address, account number, and other information about electric customers for purposes of sending required notification of CPA Commencement of Service and performing other tasks required prior to or shortly after the enrollment of customers in CPA service, consistent with Puc 2204.03, Puc 2204.04, and Puc 2204.05, or equivalent rule provisions as may be adopted by the PUC from time to time, and the requirements of RSA 53-E, as may be amended by the General Court from time to time;



2. Individual customer information used for operation of CPAs received after the enrollment of customers in CPA service, such as that in Puc 2205.13, most of which may be accessed through the Electric Distribution Utility (EDU) Electronic Data Interchange (EDI) system pursuant to Puc 2204.06, and received from EDUs to enable new customer notifications thereafter, pursuant to Puc 2205.05, and for directly reading certain customer meters or otherwise accessing customer meter data held by the EDU more directly, pursuant to Puc 2205.14 and subject to the PUC's approval in future; and
3. Other confidential customer information that may be received or collected directly by CPAs, CPCNH and/or third parties under contract with CPCNH, from sources other than the EDU due to customer participation in particular related programs or services, billing operations, other customer services, or that may be volunteered by customers and/or Members, which shall likewise only be used for statutorily authorized purposes as ICD or pursuant to the express consent of the customer and are also referred to as ICD herein.

**WHEREAS**, ongoing collection and use of ICD will be used for both:

1. General planning and operational needs for CPA retail power supply and related energy services requirements, such as load and supply forecasting, portfolio management, billing, revenue collection, and audit processes, and for research and development of potential new energy services to offer to customer participants; and
2. Programmatic and customer-specific services and offerings, such as responding to customer account queries, opt-in rates or demand side management for customers with flexible demand, distributed generation or storage, and interval meters; and other energy services that may be offered including programs for Low to Moderate Income (LMI) participants that are qualified in the Electric Assistance Program (EAP).

**NOW THEREFORE**, in consideration of the above, it is CPCNH's policy to define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of Individual Customer Data, as follows:

1. In compliance with RSA 53-E:4 (*Regulation*) and RSA 53-E:7 (*Aggregation Program*); RSA 363:38 (*Duties and Responsibilities of Service Providers*) and RSA 363.37 (*Definitions*); and RSA 359-C:20 (*Privacy Policies for Individual Customer Data*) and RSA 359-C:19 (*Definitions*), as amended by the General Court from time to time:
  - a. CPCNH and third parties contracted through CPCNH that will receive or access ICD on behalf of CPAs are required to:
    - i. Comply with all Administrative Rules related to the access and use of ICD under Puc 2200 (*Municipal and County Aggregation Rules*),



as may be amended from time to time, and any other applicable PUC rules or orders;

- b.** Use ICD solely as authorized with the express consent of the customer or for legitimate primary purposes, specifically to comply with the provisions of RSA 53-E and RSA 368:38, such as for: providing or billing for electrical service; meeting system, grid, or operational needs; researching, developing, and implementing new CPA programs, rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs; and for research and development of potential new energy services to offer to customer participants (Primary Purposes);

  - i. Implement and maintain reasonable security procedures and practices appropriate to the nature of the ICD to ensure that only authorized individuals have access to ICD for Primary Purposes or as provided by the express consent of the customer;
  - ii. Protect ICD from unauthorized access, use, destruction, modification, or disclosure, and report any data security breach as required by RSA 359-C:20 and any other applicable laws, rules, regulations, or utility tariffs;
  - iii. Collect, store, use, and disclose only as much ICD as is necessary to accomplish the Primary Purposes or as provided by the express consent of the customer;
  - iv. Not use ICD for a secondary commercial purpose unrelated to the Primary Purposes without the express consent of the customer; and
  - v. Return or permanently delete all ICD after contract termination and deliver a certificate, signed by an authorized representative, stating that all ICD has been returned or permanently deleted and that all materials based on ICD has been destroyed, as appropriate, i.e., except for copies necessary for tax, billing, other required legal compliance or financial purposes, or as may be created residually due to system backups, provided that the confidentiality of data is maintained in accordance with applicable laws.
- c.** Further, if CPCNH contracts with one or more CEPS to provide LSE services to participating customers, or brokers to support operations in a capacity that would require access to ICD, then the CEPS and/or brokers shall additionally be required to comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), pursuant to Puc 2205.02 (*Application of Puc 2000 to CEPS When Providing Electricity Supply to CPA Customers*), as may be amended by the PUC from time to time.





2. The Chief Executive Officer (CEO) as provided under Article VIII of the CPCNH By-Laws, or in the absence of the CEO, the Chair of the Board of Directors, as provided under Section 5.1 of the CPCNH By-Laws, shall (i) ensure that contracts CPCNH enters into with third parties that will receive or access ICD on behalf of CPAs have (a) incorporated the above requirements, as appropriate, and as amended, and (b), additionally provide for independent security assessments, documentation, and reporting to safeguard these requirements, as deemed necessary or prudent, and (ii) will deliver a signed attestation, upon request, to this effect to the General Counsel and Secretary to be maintained with the records of the Corporation.
3. The Regulatory and Legislative Affairs Committee shall advise on and recommend changes to this policy to the Board of Directors as necessary to maintain compliance with applicable laws, rules, and regulations that supersede the considerations and requirements established herein.
4. Use of Legal Counsel. CPCNH's CEO or Board will seek the advice of legal counsel in matters relating to data security and privacy, including but not limited to the policies adopted hereunder, when appropriate, and specifically, counsel will be employed to review:
  - a. Enacted Changes to RSA 359-C (*the New Hampshire Right to Privacy Act*), RSA 91-A (*Access to Governmental Records and Meetings*), RSA 363:37-38 (*Privacy Policies for Individual Customer Data*), RSA 53-A:3 (*Agreements Between Government Units*), and RSA 53-E (*Aggregation of Electric Customers by Municipalities and Counties*) or other related statutes that modify, alter, or negate the stated policies herein; and
  - b. Amendments to contracts with any third parties that contract with CPCNH that may require access to ICD on behalf of CPCNH that modify, alter, or negate terms and conditions of said contracts related to data security and privacy.



## TOWN OF DURHAM

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Durham, NH 03824  
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AGENDA ITEM: **#12 TS**  
DATE: **November 6, 2023**

### COUNCIL COMMUNICATION

**INITIATED BY:** Durham Town Council

**AGENDA ITEM:** APPROVE THE TOWN COUNCIL MEETING MINUTES FOR OCTOBER 16, 2023

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Todd Selig, Administrator

**AGENDA DESCRIPTION:**

Attached for the Council's review and approval are the minutes for the meeting held on October 16, 2023. Please call or email Karen Edwards with any grammatical/spelling changes prior to the meeting. Discussion at Monday evening's meeting should be limited only to substantive changes.

**LEGAL AUTHORITY:**

RSA 91-A:2 (II) specifies what must be contained in minutes of public meetings:

*"Minutes of all such meetings, including names of members, persons appearing before the bodies or agencies, and a brief description of the subject matter discussed and final decisions, shall be promptly recorded and open to public inspection not more than 5 business days after the public meeting, except as provided in RSA 91-A:6, and shall be treated as permanent records of anybody or agency, or any subordinate body thereof, without exception."*

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

N/A

**SUGGESTED ACTION OR RECOMMENDATIONS:**

**MOTION:**

*The Durham Town Council does hereby approve the Town Council meeting minutes for October 16, 2023 (as presented /as amended).*



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AGENDA ITEM: **#14 TS**

DATE: **November 6, 2023**

## COUNCIL COMMUNICATION

**INITIATED BY:** Todd I. Selig, Administrator  
Gail Jablonski, Business Manager

**AGENDA ITEM:** INITIAL PRESENTATION OF THE ADMINISTRATOR'S PROPOSED FY  
2024 OPERATING, CAPITAL, AND SPECIAL FUND BUDGETS, AND THE  
2024-2033 CAPITAL IMPROVEMENT PLAN

**CC PREPARED BY:** Karen Edwards, Administrative Assistant

**PRESENTED BY:** Todd I. Selig, Administrator  
Gail Jablonski, Business Manager

**AGENDA DESCRIPTION:**

In accordance with Section 5.2 of the Durham Town Charter, the Administrator is required to submit to the Town Council their recommended budget for the upcoming Fiscal Year "...no later than the last workday prior to November 1 of the current year." The proposed 2024 Operating, Capital, and Special Fund Budgets, and the 2024-2033 Capital Improvement Plan were available to Council members on October 31, 2023.

The Administrator and Business Manager will provide a brief presentation of these documents for the Town Council at Monday night's meeting.

**NOTE:** A Public Hearing on the proposed budget is scheduled to be held at the Town Council meeting of November 13, 2023.

**LEGAL AUTHORITY:**

Durham Town Charter, Article 5 "Finance", Sections 5.1 - 5.12.

**LEGAL OPINION:**

N/A

**FINANCIAL DETAILS:**

N/A

**SUGGESTED ACTION OR RECOMMENDATIONS:**

No formal action required. Receive brief presentation on the proposed FY 2024 Operating, Capital and Special Fund Budgets, and the 2024-2033 Capital Improvement Plan. from the Administrator and Business Manager and hold question and answer session if desired.