



**Rye Community Power
Electric Aggregation Plan
Final Version EAP_FINAL_1_04_2022**

January 4, 2022

As Approved by the Rye Select Board on January 6, 2022 and
the Rye voters at Town Meeting, March 8, 2022,
And as amended by the Rye Select Board on September 12, 2022 and January 9, 2023.

TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

INTRODUCTION TO COMMUNITY POWER..... 3

OVERVIEW OF RYE COMMUNITY POWER 4

 Customer Notification and Enrollment Process 4

 Customer Accounts and Electricity Usage Estimates..... 5

 Membership in the Community Power Coalition of New Hampshire 5

 Purpose of this Electric Aggregation Plan..... 7

 Adoption and Approval Process for Rye Community Power 7

 Implementation Process for the Coalition & Rye Community Power 8

 Town Participation in Joint Powers Agency Governance.....8

 Development of Member Cost Sharing Agreement and Services for Rye Community Power.....9

 Coalition Engagement on Rule Making at the Public Utility Commission..... 11

 Coalition & Rye Community Power Implementation Milestone Charts 11

 Approval Process for Coalition Agency & Rye Community Power 12

 Coalition Startup, Rule Making and Risk Management Policy Approval Process 12

 Rye Community Power Launch Process..... 13

 13

OVERVIEW OF THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE..... 14

 Regulatory and Policy Advocacy..... 15

 Coalition Member Services 15

 Innovative Local Programs & Customer Services 16

 Energy Risk Management & Financial Reserve Policies, Procedures and Practices 17

 Development of Renewable and Battery Storage Projects 18

RYE COMMUNITY POWER GOALS, OBJECTIVES AND REQUIREMENTS 20

 Rye Community Power Objectives..... 20

 Near-Term Operational Requirements 21

 Performance Relative to Utility Default Service and Net Energy Metering Generation Rates 21

 Customer Rates and Products 22

 Renewable Portfolio Standard Requirements 22

 Energy Risk Management and Financial Reserve Policies Compliance..... 23

ELECTRIC AGGREGATION PLAN STATUTORY REQUIREMENTS..... 24

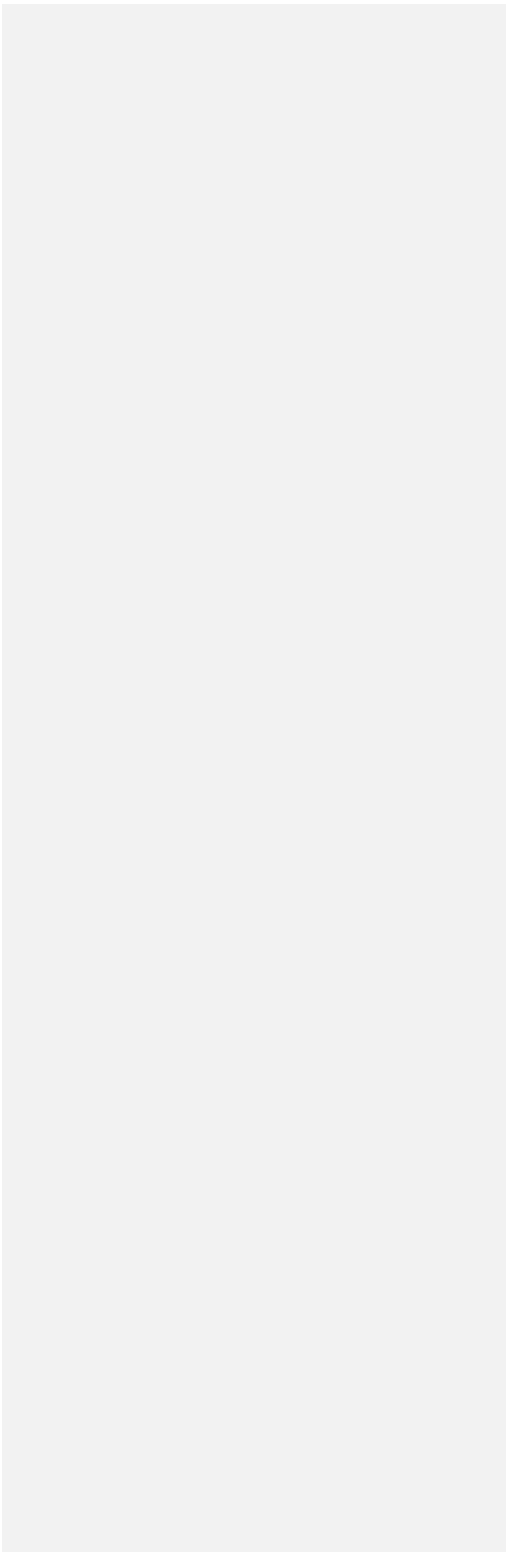
 Organizational Structure of the Program..... 24

 Methods of Entering Into and Terminating Agreements 24

 Operation and Funding..... 25

Rate Setting, Costs, Enrollment Process, and Options	26
Rate Setting and Costs.....	26
Enrollment Process and Options.....	27
Rights and Responsibilities of Program Participants	28
Net Metering and Group Net Metering Policies	28
Ensuring Discounts for Electric Assistance Program Participants.....	30
Termination of the Program.....	30
ATTACHMENTS.....	31
ATTACHMENT 1: LEGISLATIVE BACKGROUND AND LOCAL CONTROL	
AUTHORITIES.....	32
Status of the Competitive Market.....	33
The Community Power Act	34
ATTACHMENT 2: THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE	36
Coalition Design Process	36
Joint Powers Agreement Drafting Process	37
Outreach and Implementation Process.....	38
ATTACHMENT 3: NEW HAMPSHIRE’S RENEWABLE PORTFOLIO STANDARD	39
ATTACHMENT 4: UTILITY DEFAULT PROCUREMENT CYCLES AND RATE	
SETTING.....	41
ATTACHMENT 5: OVERVIEW OF UTILITY NET ENERGY METERING TARIFFS	43
Discussion of Utility Net Metering, Group Net Metering and Low-Moderate Income Solar	
Project Tariffs	43
Comparison of Utility “Standard” and “Alternative” Net Energy Metering Tariffs.....	45
Net Energy Metering Systems by Utility Territory	47
ATTACHMENT 6: COMMUNITY POWER NET METERING, GROUP NET METERING	
AND LOW-MODERATE INCOME SOLAR PROJECT OPPORTUNITIES	49
ATTACHMENT 7: RYE’S PUBLIC PLANNING PROCESS.....	53
ATTACHMENT 8: ACROYNMS	55
ATTACHMENT 9: How Load Serving Entity Services will be Implemented	56
Responsibilities of the Community Power Coalition of New Hampshire (CPCNH).....	57
Responsibilities of the Town of Rye.....	60
Attachment 10: Customer Data Protection Plan.....	62
Responsibilities of the Community Power Coalition of New Hampshire (CPCNH).....	62
CPCNH Requirements to Access and Use of Individual Customer Data	65

Responsibilities of the Town of Rye 67
Additional References: Statutory and Regulatory Requirements..... 68
Statutory Requirements for Community Power Aggregators & Service Providers..... 68
Additional Requirements Specific to Brokers & Competitive Suppliers 69
Additional Requirements for the Multi-Use Energy Data Platform 71



EXECUTIVE SUMMARY

The purpose of Community Power is to increase competition within the marketplace, and to offer a wider range of supply choices and related energy services, and to encourage innovative solutions to local needs and opportunities. This Electric Aggregation Plan sets forth Rye's goals for its Community Power program, details Rye Community Power's program design and implementation process, and commits Rye Community Power to comply with applicable statute and regulation in terms of:

- Providing universal access, reliability, and equitable treatment of all classes of customers subject to any differences arising from varying opportunities, tariffs, and arrangements in Eversource's distribution franchise territory; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws concerning the provision of service under Community Power.

This plan does not otherwise commit Rye Community Power to any defined course of action and does not impose any financial commitment on the Town.

Community Power offers features those households and businesses should appreciate:

- Program participation is optional;
- Program is self-funded;
- Competitive rates;
- More renewable energy at affordable cost; and
- Long-term funding for local resiliency projects and programs.

Rye Community Power (RCP) is a program to provide electric power supply and services for residents, businesses, and other entities in the Town of Rye. Community Power programs pool, or aggregate, the demand of all customers in a community and purchase electric power on behalf of the whole community with the goal of lowering costs and expanding access to renewable energy and other innovations. Community Power programs are made possible by New Hampshire's updated Community Power law RSA 53-E. See [Attachment 1: Legislative Background and Local Control Authorities](#) for more detailed information on the legislation.

The Rye Energy Committee began studying Community Power in June 2020. On September 27, 2021, the Rye Select Board authorized the Rye Energy Committee to act as the Energy Aggregation Committee (herein referred to as "Rye Energy Committee") to develop an Energy Aggregation Plan for Rye and prepare a proposed warrant article for the adoption of the Energy Aggregation Plan. The warrant article will be discussed after two Public Hearings have been held for community engagement and input. See [Attachment 7: Rye's Public Planning Process](#). This warrant article will then be discussed at the February 5, 2021 deliberative session and voted on at the March 8, 2022 voting session.

The Rye Select Board approved joining the Community Power Coalition of New Hampshire (CPCNH) as one of 14 founding members. CPCNH is a non-profit joint powers agency which will help members develop Community Power plans. If Rye voters approve Community Power,

CPCNH could additionally provide electricity procurement and customer services, shared staff for management and oversight, and public advocacy for Rye Community Power. This will be determined by the Select Board with advisory support from the Rye Energy Committee.

See [Attachment 2: The Community Power Coalition of New Hampshire](#) for more information.

The goals for Rye Community Power include:

- **Competitive Rates & Choices** that must meet or beat those offered by Eversource at launch, plus choices regarding the supply of renewable energy and affordable rates;
- **Fiscal Stability & Financial Reserves** to ensure the program is able to maintain competitive rates over time and advance the Town's policy goals over the long-term;
- **Consumer Protections** to ensure contracts entered into are fair, and to represent the Town's interests on energy issues at the Legislature and Public Utilities Commission;
- **Community Resiliency** programs to reduce energy consumption, lower bills, create jobs, and pursue longer-term projects such as building local back-up power supplies; and
- **Cleaner Power** to supply an affordable energy portfolio that prioritizes the use of cost effective local renewable energy.

Adoption of the plan on March 8, 2022, by a majority of those present and voting, would establish Rye Community Power as an approved aggregation with statutory authorities defined under RSA chapter 53-E (to be exercised with due oversight and local governance, as described herein). In addition to requiring adoption by the Town of Rye voters, this plan will be also be subject to the review and approval by the Public Utilities Commission (PUC), which will authorize the Town to operate as an electrical aggregator and allow the Town to obtain access to additional customer data from Eversource that will be needed for program implementation. All customer confidentiality will be protected by applicable laws as stated herein.

Future decisions regarding how to implement and manage Rye Community Power will be made by the Select Board, in coordination with advisory support from the Rye Energy Committee, at duly noticed public meetings. If voters approve this Electric Aggregation Plan:

- Eversource will continue to deliver electricity to customers, and to own and operate the local distribution system (poles, wires, transformers, sub-stations, etc.).
- The Select Board, with advisory support from the Rye Energy Committee, will be authorized to contract for the necessary professional services and power supplies to launch RCP.
- Participation in Community Power is completely voluntary. After the electricity rates are established, all customers not already on competitive supply will be notified and automatically enrolled, unless they choose to opt-out and stay with Eversource for electricity supply. Customers will have a minimum of 30 days to opt-out. All customers on competitive supply will also be notified, and may choose to opt-in to Rye Community Power.

INTRODUCTION TO COMMUNITY POWER

New Hampshire’s updated Community Power law (RSA 53-E, as amended by SB 286 - Chapter 316, NH Laws of 2019, effective October 1, 2019, and HB 315, Chapter 229, NH Laws of 2021, effective October 24, 2021) is a bipartisan policy designed to further democratize, evolve, and enhance the economic efficiency of our electric power industry. The Legislature’s intent in enacting RSA 53-E was to “encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.” To achieve this goal, RSA 53-E authorizes local governments (cities, towns, and counties) to launch Community Power programs that:

- Provide electricity supply service to residents and businesses, who are notified and enrolled on an “opt-in” (customer choice) or “opt-out” (default service) basis — and may thereafter leave or rejoin the program by switching suppliers (in advance of their next billing cycle date);
- Procure a reliable supply of “all-requirements” electricity, inclusive of Renewable Portfolio Standard requirements, with the option to participate directly in the ISO New England wholesale market as a load-serving entity on behalf of participating customers;
- Offer a range of innovative services, products, new Net Energy Metering supply rates, and local programs to participating customers;
- Establish a joint powers agency with other Community Power programs to share services, consolidate bargaining power for energy supply, contract for energy project developments, and facilitate related energy initiatives; and
- Work collaboratively with distribution utilities, regulators, policymakers and innovative energy businesses to help modernize our electrical grid and market infrastructure.

These authorities and local benefits are depicted in the graphic below:



Distribution utilities will continue to deliver power to all customers, regardless of whether they are supplied electricity by new Community Power programs or Competitive Electric Power Suppliers (or have chosen to switch back to utility-provided default service).

OVERVIEW OF RYE COMMUNITY POWER

Electric bills have two major components, supply and delivery. The delivery portion in Rye is provided by Eversource and constitutes the cost to deliver the energy from a generator or power plant to a customer's property. The supply portion of the bill, which is presently Eversource for customers not on competitive supply, is the portion of the bill that is related to the actual purchase of the energy being delivered. Customers not on competitive supply do not have any input on where the energy on the "supply" portion of the bill comes from. The purpose of RSA chapter 53-E was to allow municipalities to establish community power to allow for greater power and control in determining where energy comes from and the price of that power and, in that way, offers more choices and lower cost options for the "supply" portion of customer bills.

Rye Community Power is a program authorized under RSA 53-E to provide electricity supply service for the Town's residents, businesses, and other types of customers. The program will only launch if it is able to initially offer residential default rates that are lower than or competitive with those offered by Eversource.

In summary, Rye Community Power will:

- Serve as the default electricity supplier for all customers on a default "opt-out" basis;
- Offer innovative services and generation rates to customers on an "opt-in" or "opt-up" basis (such as 100% renewable premium products, time-varying rates and Net Energy Metering generation credits for customers with solar photovoltaics);
- Operate on a competitive basis, in that customers may choose to switch between Rye Community Power, service provided by Competitive Electric Power Suppliers, and utility-provided default service; and
- Be self-funded through revenues generated by participating customers (the Town will not use taxes to cover program expenses).

Eversource will continue to own and operate the distribution grid and be responsible for delivering power to all customers within the Town. Customers will be charged for utility delivery services at rates set by the Public Utilities Commission.

The Rye Select Board, in coordination with advisory support from the Rye Energy Committee, will be authorized to arrange and contract for the necessary services and power supplies to implement and operate the program, and continue to provide oversight over the program thereafter.

Customer Notification and Enrollment Process

Prior to launch of Rye Community Power, all eligible customers will be mailed notifications:

- Customers currently on default service provided by Eversource will be notified, provided the opportunity to decline participation ("opt-out"), and thereafter transferred to Rye Community Power if they do not "opt-out" of Rye Community within thirty days of receiving that notice;
- Customers already served by Competitive Electric Power Suppliers will be notified and may request to "opt-in" to the program.

The notification will contain all required details regarding Rye Community Power, including a description of the program, the implications for the Town, and customer rights and responsibilities under the program. For customers on utility-provided default service (Eversource), the notification will additionally include the initial fixed rate and all charges for the program’s default service that will apply. All notifications will be mailed to customers at least 30 days in advance of program launch and provide instructions for customers on how to opt-out or request to opt-in to the program (for example, by return postcard or using a web portal).

After the launch of Rye Community Power, any new customers that move to the Town will be periodically notified and transferred onto default service provided by the program, unless they choose to take service from Eversource or a Competitive Electric Power Supplier.

All customers on Rye Community Power default service will remain free to switch back to the Eversource or to take service from a Competitive Electric Power Supplier.

Customer Accounts and Electricity Usage Estimates

The tables below show the total number and annual electricity usage of customers within Rye’s territory who would initially receive either “opt-out” or “opt-in” notifications:

	Eversource Supply Customers		Competitive Supply Customers	
	(Eligible for Opt-Out Notifications & Automatic Enrollment)		(Eligible for Opt-In Notifications & Voluntary Enrollment)	
	Customer Accounts	Annual Usage (MWh)	Customer Accounts	Annual Usage (MWh)
Residential	2,802	23,114	491	5,612
Commercial & Industrial	366	2,510	136	5,145
Street Lighting	1	0.875	0	0
Total:	3,169	25,625	627	10,757

Aggregated data shown was provided by Eversource for the 12 months ending Oct 28, 2021.

Membership in the Community Power Coalition of New Hampshire

Rye is a founding member of the Community Power Coalition of New Hampshire (“the Coalition”), a joint powers agency authorized under RSA 53-A (“Agreements Between Governments: Joint Exercise of Powers”) that will operate on a not-for-profit basis.

The Coalition was created so that towns, cities, and counties across New Hampshire could:

1. Access the resources and support required to streamline the process of establishing an Electric Aggregation Committee, drafting an Electric Aggregation Plan and approving a new Community Power program.
2. Jointly solicit and contract for third-party services and staff support to launch and operate Community Power programs, without requiring any upfront costs or imposing any financial liabilities on participating communities.
3. Participate in joint power solicitations and local project development opportunities.
4. Share knowledge and collaborate regionally on clean energy and resilient infrastructure development at the community-level throughout the state.
5. Speak with one voice at the Legislature and Public Utilities Commission on public advocacy issues related to energy and Community Power.

The Coalition’s joint powers agency governance model and competitive business model have been designed in accordance with energy industry best practices to ensure that participating Community Power programs benefit from transparent governance and high-quality services — so that all communities are able to take full advantage of their local control authorities under RSA 53-E and achieve the full scope of their local energy policy goals.

The Coalition will be governed “for communities, by communities” under a voluntary and flexible membership structure, will provide competitive electricity service on a statewide basis, and will strengthen the ability of communities to coordinate effectively on public advocacy issues.



Key aspects of the Coalition’s design, governance, services and start-up process are summarized in:

- The appendix ([Attachment 2](#)) which provides an overview of the communities, volunteers and experts involved in the process of designing the Community Power Coalition of New Hampshire as well as a copy of the Joint Powers Agreement of Community Power Coalition of New Hampshire.

- The chapter “Overview of the Community Power Coalition of New Hampshire”, which provides context regarding the purpose of joint action power agencies, highlights the importance of joint public advocacy (and summarizes the Coalition’s successful engagements at the Legislature and Public Utilities Commission on Community Power and public advocacy issues to-date), and summarizes key features of the Coalition’s business model and services.
- The chapter “Rye Community Power Goals, Objectives and Requirements”, which explains how the Coalition’s joint action governance and business model should enable Rye to achieve the full scope of our policy goals, delineates what our goals are over the short-to-long term, and summarizes the program’s near-term operational requirements as a power enterprise.
- The remainder of this chapter, which summarizes the Town’s anticipated role in the Coalition’s governance and implementation process through the launch of Rye Community Power.

Purpose of this Electric Aggregation Plan

The Rye Energy Committee was tasked by the Rye Select Board to prepare this Electric Aggregation Plan, which sets forth Rye’s policy goals for our Community Power program, summarizes program governance and implementation processes, and commits Rye Community Power to comply with applicable statutes and regulations in terms of:

- Providing universal access, reliability, and 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; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power.

The Electric Aggregation Plan does not otherwise commit Rye to any defined course of action, including participation in the Coalition for the purposes of launching the program, and does not impose any financial commitment on the Town.

The Rye Select Board, with advisory support of the Rye Energy Committee, retains the power to contract for all required program services and electricity supplies, to set rates, and to pursue related projects independently of the Coalition.

Adoption and Approval Process for Rye Community Power

This Electric Aggregation Plan was developed by the Rye Energy Committee with due input from the public, as required under RSA 53-E. Public hearings were held on November 16, 2021 and December 9, 2021. Refer to Attachment 7 for additional information.

The Rye Energy Committee has determined that this Electric Aggregation Plan satisfies applicable statutory requirements and is in the best, long-term interest of the Town and its residents, businesses, and other ratepayers.

The Rye Select Board may now submit this Plan for consideration to the citizens of Rye. Adoption of this Plan by the citizens of Rye, by majority approval of those present and voting, establishes Rye Community Power as an approved aggregation with statutory authorities defined under RSA 53-E:3 (to be exercised with due oversight and local governance, as described herein), and authorizes the Rye Select Board to arrange and contract for the necessary professional services

and power supplies to launch Rye Community Power. Once approved, the Select Board may amend the Plan at a duly noticed meeting of the Select Board.

The Select Board will also submit this Plan to the Public Utilities Commission for review and will also provide it to the Office of the Consumer Advocate, the Department of Energy, and Eversource. In the event that the Public Utilities Commission identifies instances where this Plan fails to meet statutory or rule requirements, the Select Board will provide for the revision of the plan for compliance purposes and will resubmit it to the Public Utilities Commission for approval in accordance with RSA 53-E, II and IX. Members of the public, along with the Consumer Advocate and Eversource, may file comments on the plan within the first 21 days of submission to the PUC.

Implementation Process for the Coalition & Rye Community Power

The Town became a founding member of the Coalition on September 27, 2021 when the Rye Select Board approved entering into the Coalition’s Joint Powers Agreement.

The Coalition’s Joint Powers Agreement includes the Articles of Agreement and Bylaws of the nonprofit. It establishes the general purpose, authorities, structure, Board of Directors, committees, cost-sharing principles, liability protections, and other aspects of the organization.

The Coalition was incorporated on October 1, 2021 by the following founding local government Members: the cities of Lebanon, Nashua and Dover; the towns of Hanover, Harrisville, Exeter, Rye, Warner, Walpole, Plainfield, Newmarket, Enfield and Durham; and Cheshire County. The towns of Pembroke, Hudson and Webster have since also entered into the Joint Powers Agreement.

This plan assumes, but does not require, the Town to participate fully in the Coalition for the purposes of implementing and operating Rye Community Power.

Town Participation in Joint Powers Agency Governance

The Coalition’s initial Board of Directors is constituted of representatives appointed by the governing bodies of each founding member.

The Rye Select Board has appointed primary and alternate representatives of Rye Community Power to serve on the Coalition’s Board of Directors. The Town’s representatives will directly oversee the Coalition’s initial startup and implementation activities, including the:

- Adoption of Board policies and the election of officers;
- Hiring of expert staff to provide qualified management and oversight;
- Solicitation and contracting of third-party service vendors to launch and operate Community Power programs; and
- Appointment of Board members and other community representatives to committees.

Rye and all other members will be directly represented on the Coalition’s Board until more than twenty-one (21) members join, at which point directors will be elected by vote of the members’ representatives at annual meetings (with a Board size of between 11 and 21 representatives, at the members’ direction).

Additionally, to exercise more regular oversight over specific aspects of the joint powers agency, the Coalition will have six standing committees: Executive, Finance, Audit, Regulatory and

Legislative Affairs, Risk Management and Governance. The Board may also establish ad-hoc committees, and each direct project that members choose to pursue in the future will be overseen by a committee specific to that project.

All meetings of the Coalition will comply with New Hampshire's Right-to-Know Law (RSA 91-A), the purpose of which is to "ensure both the greatest possible public access to the actions, discussions and records of all public bodies, and their accountability to the people", based on the recognition that "openness in the conduct of public business is essential to a democratic society."

Development of Member Cost Sharing Agreement and Services for Rye Community Power

Under the terms of New Hampshire's Community Power law ([RSA 53-E](#)):

- Community Power programs must be self-funded, with ongoing costs paid for using the revenues generated by participating customers.
- Municipalities are only allowed to incur incidental costs associated with implementing Community Power programs, such as the costs necessary to comply with the Community Power law, up to the time that the program starts to produce revenue from participating customers.

Membership in the Coalition, and the implementation of Rye Community Power, will not require any upfront cost for the Town other than such incidental expenses (i.e., the staff time, counsel review of agreements, and other costs required to comply with the Community Power law).

To provide the services, credit support, and electricity supply required to launch and operate Rye Community Power:

- The Coalition will administer competitive solicitations on behalf of all participating Community Power programs to contract with qualified vendors and credit-worthy suppliers.
- Vendors are expected to fund and self-manage the upfront cost of launching Community Power programs, under at-risk and performance-based contract structures with payments contingent upon successful launch.
- Program implementation costs for Rye, along with ongoing operational and power procurement expenses, will be factored into the customer rates and be recovered from the revenues received from participating customers after the launch of Rye Community Power.

Similar solicitations and at-risk, performance-based contract structures have been used to successfully launch and operate new joint powers agencies in other Community Power markets.

Rye's representatives on the Coalition's Board of Directors are participating in the solicitation of services, agency startup activities and the development of a cost-sharing agreement with other founding members.

The Coalition's Joint Powers Agreement provides certain requirements regarding how costs will be tracked and shared across participating Community Power programs, which will guide the development of the Coalition cost-sharing agreement:

- Costs will be tracked in three distinct categories: direct project costs, member services, and general and administrative costs (which are overhead costs that are not associated with any specific project or member service);

- Member cost-sharing agreements will be the same in all material respects: general and administrative costs will be allocated based on each Community Power program's share of total electricity usage each year, while each member will choose and separately pay for the costs of specific services and projects (under terms that reflect a fair allocation across all the members that chose the same services and projects); and
- The debts, liabilities and obligations of the Coalition, and of other participating Community Power programs, will be non-recourse to Rye (unless expressly agreed to by the Rye Select Board as part of electric rates under Rye's Cost Sharing Agreement or pursuant to a Project Contract). No funds are required to support this program with the exception of the cost for existing staff functions that support Rye Community Power and legal review of documents on behalf of the town.

To proceed with launching and operating Rye Community Power through the Coalition:

- The Rye Select Board would review and approve execution of the Coalition's Cost Sharing Agreement and Member Services Contract, along with the Data Security and Privacy Policy and the Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies approved by the Coalition's Board of Directors.
- The Coalition would provide the services and credit support necessary to launch and operate Rye Community Power (along with the programs of other municipalities across the state) and would provide all-requirements electricity to customers participating in the programs.
 - Confidential customer data would be handled in accordance with the Data Security and Privacy Policy.
 - Power procurement and energy portfolio risk management, rate setting, and the accrual of financial reserves for the program would be carried out in accordance with the Coalition's Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies.
 - The Coalition would collect revenues from program customers on the Town's behalf and would recover expenses incurred on behalf of Rye Community Power in accordance with the Cost Sharing Agreement.

Governance of the power agency would be carried out pursuant to the Coalition's Joint Powers Agreement. The Board of Directors and committees of Member Representatives — the Executive Committee, Finance Committee, Risk Management Committee, Member Operations and Engagement Committee, Regulatory and Legislative Affairs Committee, etc. — would continue to meet regularly and carry out their responsibilities to provide oversight and direction, supported by a qualified CEO and staff experts hired to provide day-to-day oversight and management the agency's service providers, operations, planning, and program development activities.

The Coalition intends to contract for all the services required to launch and operate member Community Power programs, which is expected to enable access to advanced services and expertise at least cost for Rye Community Power. However, note that:

- The Town will be under no obligation to rely on the services provided through the Coalition until the Rye Select Board executes the Coalition’s cost-sharing agreement and chooses which services will be provided through the Coalition.
- At that time, the Rye Select Board may decide to rely on the Coalition for all or a subset of the services required to launch and operate Rye Community Power.
- Alternatively, the Rye Select Board could decide to withdraw from the Coalition entirely, prior to the point at which power procurement is authorized on behalf of Rye Community Power, and launch Rye Community Power independently without any cost or continuing financial obligations to the Coalition.
- Lastly, after Rye Community Power launches, the Town could still decide to procure certain services independently or to withdraw from the Coalition at a future date, subject to the terms, conditions and any continuing obligations specified in the cost-sharing agreement approved by the Rye Select Board.

Decisions made by the Rye Select Board regarding how to best implement and operate Rye Community Power, including the execution of the Coalition cost-sharing agreement and selection of services provided through the Coalition, will be made at duly noticed public meetings.

Coalition Engagement on Rule Making at the Public Utility Commission

Rye Community Power will launch after administrative rules governing Community Power are adopted by the Public Utilities Commission. Rules are expected to implement the statutory requirements of RSA 53-E, such as by establishing parameters for the Town to receive access to customer data from Eversource that will be needed for the implementation and administration of Rye Community Power. Over the course of 2020, founding members of the Coalition have actively participated in the informal rule drafting process by providing initial and subsequent sets of draft rules for review and refinement, arranging and facilitating bilateral meetings with utilities and other stakeholders, and leading stakeholder workshop discussions and editing sessions at the request of Public Utilities Commission staff. Rye Community Power will coordinate with the Coalition to engage in the Commission’s rule development process.

Coalition & Rye Community Power Implementation Milestone Charts

The milestone charts below show the anticipated approval, formation and launch processes for Rye Community Power and the Coalition power agency, as described in the sections above.

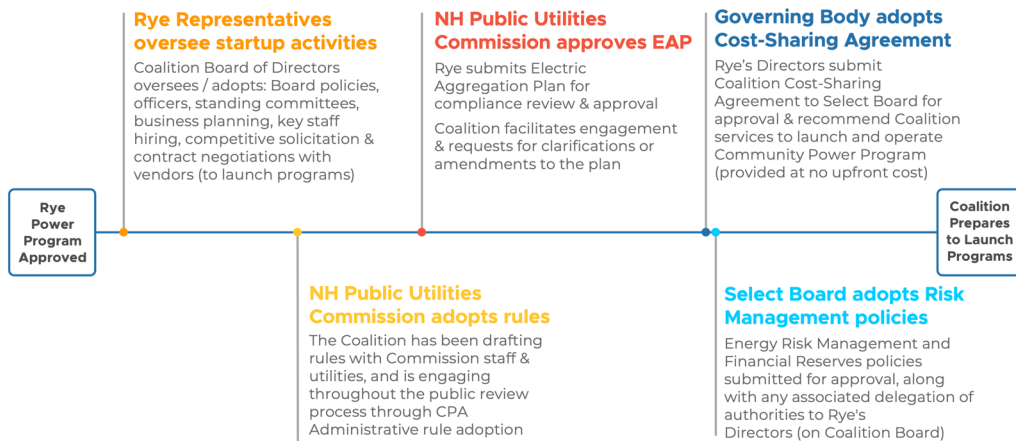
The first chart below summarizes the different categories of activities required to approve Rye Community Power and join the Coalition as a founding member to create the joint powers agency:

Approval Process for Coalition Agency & Rye Community Power



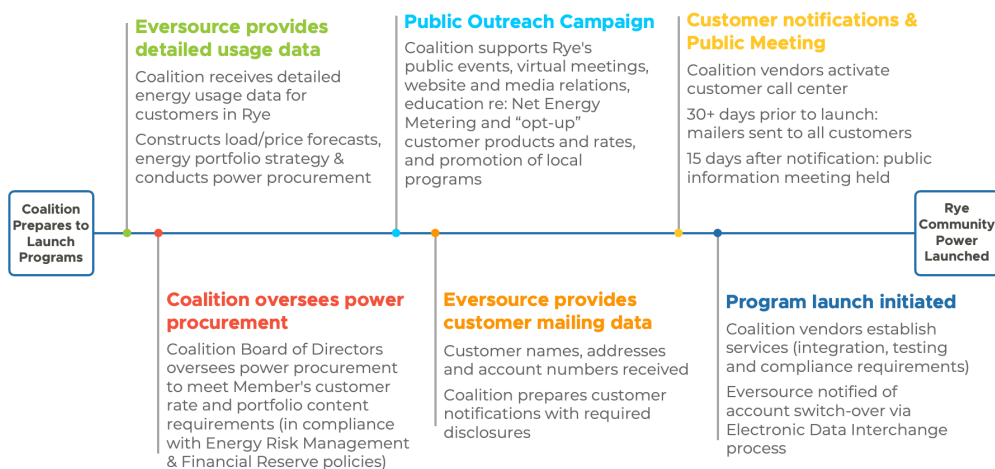
Rye's directors on the Coalition Board are overseeing startup activities, including engagement at the Public Utilities Commission to finalize the administrative rules governing the Community Power market, and will bring forward the Coalition's cost-sharing agreement along with Energy Risk Management and Financial Reserve policies for approval by the Rye Select Board:

Coalition Startup, Rule Making and Risk Management Policy Approval Process



After the Public Utility Commission adopts rules to open the market and approves the Electric Aggregation Plan, the Coalition will be allowed to launch Rye Community Power (and the programs of other participating municipalities). The milestones below summarize the process by which the Coalition intends to structure and conduct data collection, forecasting, power procurement solicitations and rate setting exercises — in compliance with the Energy Risk Management and Financial Reserve policies adopted by the Town, and with oversight provided by Rye’s representatives on the Coalition’s Board of Directors — and the local outreach, customer notification mailings and public meeting process that culminates in the launch of Rye Community Power:

Rye Community Power Launch Process



OVERVIEW OF THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE



Rye is a founding member of the Community Power Coalition of New Hampshire, a nonprofit joint powers agency authorized under RSA 53-A.

Joint powers agencies are governed by communities, operated on a not-for-profit basis, and allow Community Power programs to voluntarily join forces to take advantage of economies of scale and shared services to boost operational efficiencies.

The public power industry has created over seventy joint powers agencies in the last fifty years, and several hundred local governments operate Community Power programs through joint powers agencies or comparable collaborative governance structures in Massachusetts, New York, Ohio, Illinois and California.

The experience of these markets demonstrates that the economics of joint purchasing can enable access to advanced services and expertise for participating Community Power programs, which helps keep power rates competitive and supports long-term financial stability.

The Coalition was incorporated on October 1, 2021 by the following founding local government Members: the cities of Lebanon, Nashua and Dover; the towns of Hanover, Harrisville, Exeter, Rye, Warner, Walpole, Plainfield, Newmarket, Enfield and Durham; and Cheshire County. Following incorporation, the city of Portsmouth and the towns of Hudson, New London, Pembroke and Webster joined the Coalition's membership.

The 18 city and town members of the Coalition represent more than 270,000 residents, or ~20% of the population of New Hampshire. To put the anticipated electricity usage of all Coalition Members Community Power programs in context, at full enrollment of all eligible customers, the Coalition would be larger in size than the default service loads of Unitil, Liberty Utilities and the New Hampshire Electric Coop on an individual basis, and smaller than Eversource (New Hampshire's largest investor-owned distribution utility).

Rye anticipates relying upon the Coalition's member services to launch and operate Rye Community Power, but approval of this Electric Aggregation Plan does not commit the Town to doing so. The Rye Select Board retains the authority to contract for any and all required program services and electricity supplies, and to pursue projects independently of the Coalition.

Based on the design and projected size of the Coalition, the Rye Energy Committee anticipates that participation will result in cost savings, lower staff requirements, and enhanced quality of services for Rye Community Power and other member programs.

Operating Rye Community Power through the Coalition is expected to provide a number of distinct benefits in terms of transparency, scope and cost of services, regulatory and policy engagement, local program options, quality of energy risk management advice, the accrual of financial reserves sufficient to ensure long-term financial stability, and opportunities to develop new energy projects. These benefits are summarized in the “Regulatory and Policy Advocacy” and “Coalition Member Services” sections below.

Regulatory and Policy Advocacy

Changes in law and regulations that adversely impact Community Power programs will be a source of risk for Rye Community Power. Additionally, extending and maintaining the full range of benefits that Rye Community Power could create for customers will require informed participation and advocacy on energy issues at the Legislature and Public Utilities Commission.

Coordination with other municipalities and Community Power initiatives on matters of common interest through the Coalition have already produced meaningful results in these areas. For example, over the last year, the communities involved in the formation of the Coalition have:

- Participated in the Community Power informal rule drafting process, including by providing the initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and leading significant portions of the subsequent stakeholder workshops at the request of Public Utilities Commission staff.
- Intervened in regulatory proceedings to represent the interests of customers and Community Power programs, such as by advocating for expanded data access in the Commission’s Statewide Data Platform docket (DE 19-197), under which a settlement agreement with the utilities was negotiated and recently submitted to the Public Utilities Commission. (If adopted, the settlement would create a “Statewide Data Platform” to enable data access for customers and Community Power programs, which would be overseen by a Governance Council that includes Coalition representatives.)
- Testified in legislative hearings — and organized hundreds of people, elected officials and civic organizations to register in support of the Coalition’s position on key legislation — in order to successfully negotiate critical amendments to two bills recently signed into law:
 - House Bill 315, which clarifies and expands key Community Power authorities; and
 - Senate Bill 91, which expands battery storage options for customers as well as Net Energy Metering for communities and established a committee to study the creation of a new market that would expand the ability of Community Power programs to buy from in-state generators and battery storage projects (under 5 megawatts in size).

Rye Community Power will continue and expand on these activities through the Coalition.

Coalition Member Services

The Coalition’s business model has been designed to provide Community Power programs with:

- **Innovative local programs and customer services:** new rates, technologies and services for customers that lower electricity supply costs and risk for the program in aggregate, along with the electricity bills of participating customers from a “full bill” perspective (i.e., an electric bill inclusive of generation/supply, transmission, and distribution charges).

- **Energy Risk Management & Financial Reserve Policies, Procedures and Practices:** expert guidance on energy risk management, procurement of a diversified portfolio of energy contracts, rate setting, and financial reserves — sufficient to ensure the stability and operational continuity of Community Power programs over the long-term (as technologies, market dynamics, risk factors, consumer preferences and energy policies continue to evolve).
- **Development of Renewable and Battery Storage Projects:** joint contracting opportunities for the construction of new renewable and battery storage projects financed under long-term contracts, which would diversify program energy portfolios, provide a physical hedge against wholesale market price fluctuations, enhance the resiliency of our electrical grid, and stimulate local construction and economic development.

The Coalition intends to contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate Community Power programs. These third parties are expected to fund the upfront cost of implementing Community Power programs, the expense of which would be amortized and recovered for a specified term, along with ongoing operating costs, in customer rates.

The extent of services offered by the Coalition is expected to thereafter expand over time, in response to new market opportunities and ongoing regulatory rule reforms, and to meet the local objectives of participating Community Power programs. The Coalition also plans to hire a small number of qualified staff to ensure effective oversight of operations, as well as enhanced transparency and expert management as the Coalition’s business operations evolve.

The proceeding sections explain how the above categories of member services are interrelated in ways that combine to ensure Rye Community Power remains operationally stable, competitive, and able to achieve the full range of our local policy goals over the long-term.

Innovative Local Programs & Customer Services

Cost-effective local programs provide new retail products and services that enable customers to:

- Intelligently moderate their use of electricity from the grid during times of high wholesale power prices and when the physical grid is constrained (at-risk of not being able to deliver enough power to meet all customers’ usage requirements during the hours of “peak demand”);
- Increase their use of electricity from the grid when wholesale prices are relatively low and the physical grid is not constrained.

Examples of innovative retail products and services that enable customers to do so include time-based rate options, individual and group net metering, targeted efficiency, distributed generation (i.e. generation of energy at or near where it is used) and energy storage programs, electric vehicle charging rates, and other offerings that empower customers directly and enable the services of third-party energy companies that are helping customers adopt and use new technologies.

Programs that enable the intelligent use of electricity will help Rye Community Power to:

- Lower electricity supply costs and risk for the program in aggregate, along with the electricity bills of participating customers from a “full bill” perspective (inclusive of generation/supply, transmission, and distribution charges);
- Strengthen customer relationships and local brand recognition;
- Promote energy conservation and use of renewable energy technologies; and
- Protect against customer attrition (the risk that customers opt-out of the program by choosing an alternative supplier) and potentially grow the program’s customer base over time.

Local programs, in order to be cost-effective, need to be designed in ways that relate to and actively help manage the various sources of cost and risk involved in operating a competitive power agency.

As explained in the section below, the Coalition will adopt a structured approach to monitoring, analyzing and actively managing energy cost and risk — both to enable the design of cost-effective local programs, and provide additional benefits such as long-term financial stability.

Energy Risk Management & Financial Reserve Policies, Procedures and Practices

Rye Community Power’s ability to maintain competitive rates, as market prices and Eversource default rates change over time, is a primary goal for the program. Competitive rates will significantly reduce the risk that customers opt-out of Rye Community Power and allow the program to achieve our medium- to long-term goals.

To that end, working with the other members of the Coalition, Rye Community Power will adopt Energy Risk Management and Financial Reserve policies. The purpose of these policies is to:

- Ensure that Rye Community Power allocates customer revenues in ways that balance our community’s goals and objectives over the short-to-long term; and
- Define how the Coalition will conduct energy risk management, procurement, and market operations on behalf of Rye Community Power (so that the agency remains in compliance with our adopted policies).

Combined with the operational procedures and practices of the Coalition’s business model, these policies are designed to ensure that Rye Community Power and all participating members of the Coalition will be able to:

- Foresee, forecast and adequately plan for adverse contingencies (such as power supply shocks, economic downturns and changes in policy and regulations);
- Structure and manage a diversified portfolio (or “book”) of physical and financial energy contracts in order to (1) hedge price risk in an optimal fashion by assessing the cost of entering into forward contracts against the risk of wholesale market price exposure, (2) transact quickly to take advantage of changing market conditions, and (3) incorporate energy contracts from a variety of preferred sources (e.g., renewables and battery storage assets, local generators, customer-generators and demand response programs, etc.);
- Maintain competitive rates, and additionally set aside funds to accrue financial reserves, while also implementing local programs (designed in ways that lower portfolio costs and risk factors);

- Draw on financial reserves or credit support sufficient to maintain (1) rate stability for participating customers and (2) adequate cash flow for the Coalition’s operations over the course of any adverse events and periods.

As Rye Community Power accrues financial reserves, the Coalition will be able to facilitate additional ways to lower costs, create new value, and further enhance the financial stability of the program. As one example, the accrual of sufficient reserves will allow Rye Community Power to begin self-providing the collateral required for wholesale power market transactions and power purchase agreements. This will lower the capital costs and risk premiums otherwise embedded into the price of power contracts negotiated by the Coalition. Similarly, the Coalition also intends to facilitate pooled power procurement across participating Community Power programs, and to explore opportunities to jointly satisfy collateral obligations within these arrangements.

Lastly, as explained further in the section below, the combination of the Coalition’s approach to energy portfolio risk management and the accrual of sufficient financial reserves by participating members is what will enable Rye Community Power to enter into long-term contracts — in order to construct new renewable and battery storage projects.

Development of Renewable and Battery Storage Projects

As Rye Community Power and other participating Community Power programs demonstrate the ability to accrue reserves sufficient to ensure our collective financial stability — and maintain or grow our customer base by offering competitive rates and innovative services over time — the Coalition will be able to facilitate new project developments for Rye Community Power and other Community Power programs that elect to jointly participate in long-term contracting solicitations.

These will be pursued only if the economics provide a cost-effective supply offering. Any commitment of this magnitude would require approval of the Rye Select Board. As context:

- Project developers and financiers require long-term power purchase agreements (typically 10 years or longer in duration) to justify the upfront cost of constructing renewables and battery storage facilities;
- Consequently, project financiers will not execute long-term contracts with a Community Power program if they do not believe that the program is likely to remain a stable, credit-worthy counterparty (i.e., unlikely to default on payment obligations over the contract term).

Achieving the ability to execute long-term contracts and build new renewables and battery storage projects is a priority for Rye Community Power and the other Community Power programs joining together to create the Coalition. This objective is an important policy goal for our program and will additionally diversify the energy supply portfolio managed by the Coalition.

Portfolio diversification helps to stabilize operating margins by intelligently hedging Rye Community Power’s exposure to wholesale market dynamics and price fluctuations. The objective is to enter into contracts that help to manage risk and maximize revenues for the program from the total portfolio management perspective, in order to further strengthen our program’s financial performance and stability over the long-term. As context:

- When bidding on joint project development solicitations, developers will submit different combinations of technologies, project locations, prices, term lengths and contractual clauses with operational and financial implications.
- Selecting which contracts to enter into — and effectively negotiating contract terms and prices
 - requires analyzing the different contracts being offered, individually and in combinations, and simulating the impact that the new contracts would have on Rye Community Power’s cash flow, total portfolio costs, and risk profile over the length of the contract.
- This exercise, which is a key component of the Coalition’s broader “portfolio strategy” analysis, is referred to as “contract valuation” or “deal valuation”. These simulations will allow the Coalition to quantify the value of the contract (from a portfolio risk management perspective), compare the value against the price being offered by developers, negotiate for better terms and prices as necessary, and enter into contracts on behalf of Rye Community Power that are likely to cost less than the value created at the program portfolio level.

As described in the preceding section “*Energy Risk Management & Financial Reserve Policies, Procedures and Practices*”, the Coalition’s business model has been designed to actively manage a diversified portfolio of energy contracts at launch — which entails:

- Understanding and analyzing energy cost and risk factors on a continuous basis;
- Conducting contract valuation simulations;
- Negotiating contract terms and prices with a variety of counterparties to construct a portfolio of energy contracts that, in aggregate, is designed to optimally hedge price risk; and
- Thereafter, actively and continuously managing the “book” of contracts in response to market dynamics, price movements and opportunities.

In these ways, the Coalition’s business model provides the foundational capabilities required to support joint project development solicitations for Rye Community Power and other participating programs — inclusive of long-term contract valuation simulations, counterparty negotiation, and active management of the contract and overall portfolio thereafter.

RYE COMMUNITY POWER GOALS, OBJECTIVES AND REQUIREMENTS

Rye Community Power affords the Town the capacity and flexibility to realize and build on our policies pertaining to energy, economic development, and infrastructure.

Our policy goals will need to be pursued through a combination of direct program activities and informed public advocacy at the Legislature and Public Utilities Commission. This will require enhanced coordination with other communities as well as advanced operational services, dedicated expertise, innovation and sustained initiative carried out over a period of multiple years.

Simultaneously, maintaining competitive rates compared to Eversource's default service rates — as market prices, energy technologies and policies change over time — will require nimble decision-making and the ability to evolve business operations in response to changing market conditions in order to actively manage risk, minimize costs and maximize the creation of customer value.

The structure of the Coalition — the combination of the joint powers agency's community governance model, competitive business model and coordinated approach to engaging in public advocacy — has been designed to enable and streamline these activities for Rye Community Power at an advantageous, cost-effective economy-of-scale.

Participation in the Coalition is therefore expected to strengthen the capacity and financial performance of Rye Community Power, such that the program is able to operate continuously as a self-supporting, competitive enterprise for the foreseeable future, and will therefore be able to work towards achieving the full scope of our policy goals and objectives over the long-term.

Rye Community Power Objectives

To achieve our policy goals, Rye Community Power will be guided by the following objectives:

- **Competitive Rates & Expanded Choices:** Rye Community Power will only launch if it is able to initially offer residential default rates that are lower than or competitive with those offered by Eversource, and will additionally offer optional products, such as supply options with higher and lower levels of renewable energy and time-varying rates that enable the intelligent use of customer energy technologies;
- **Fiscal Stability & Financial Reserves:** Rye Community Power will adopt an Energy Risk Management Policy and deposit a portion of revenues into a reserve fund to ensure that the program remains able to offer competitive rates as market prices fluctuate over time — and is therefore able to achieve Rye's longer-term goals (such as the development of local energy resources and programs to reduce energy usage);
- **Consumer Protections & Public Advocacy:** Rye Community Power will ensure that the contracts entered into on behalf of customers are fair, and represent the interests of Rye and the program's customers at the Legislature and utility regulatory commission on matters pertaining to Community Power, ratepayer protection and the creation of a more competitive, efficient and clean energy market for New Hampshire;
- **Enhanced Customer Focus:** Rye Community Power hopes to offer customers the choice to adopt new clean energy technologies that reduce energy expenditures and carbon emissions

from the customer’s “full bill” perspective, by reducing household and business fuel expenses through electrification of heating appliances and vehicles, offering time-varying rate structures that incentivize self-generating, dispatching onsite storage or shifting power consumption during when electricity market prices are high, lowering customers’ utility transmission and distribution charges by reducing onsite demand in peak hours, and other strategies;

- **Cleaner, Local Power:** Rye Community Power will have the ability to prioritize the development of cost-effective projects to supply an affordable energy portfolio that prioritizes the use of in-state and local renewable energy and battery storage projects;
- **Community Resilience:** Rye Community Power will have the ability to support local contractor training and education programs to lower barriers to the installation of new clean energy technologies, and support projects such as back-up power supplies, electric vehicle charging networks and community microgrids on critical facilities;
- **Regional Collaborations:** Rye Community Power will have the ability to collaborate with municipalities, other Community Power programs and government agencies to jointly develop cost-effective local renewable generation and storage projects, electric vehicle transit fleets and charging corridors, and other clean energy infrastructure developments;
- **Grid Modernization:** Rye Community Power will join with other Community Power programs to advocate for policies, regulations, and infrastructure investments — such as the widespread deployment of interval meters and other Smart Grid infrastructure technologies — necessary to enable innovative customer services and the intelligent use of new clean technologies, cost-effective integration of local and regional renewable generation and the reliable operation of customer and community owned microgrids and utility’s distribution grid.

Through strategies and initiatives like these, enabled by the scope and scale of service provided through the Coalition, Rye Community Power hopes to:

- Reduce fossil fuel consumption overall while enhancing the reliability of our electricity grid;
- Create savings and new value for customers; and
- Attract and support local businesses.

These objectives are essential to our continued success as a vital, sustainable community.

Near-Term Operational Requirements

While many of the broader benefits Rye Community Power intends to create for customers and the Town will be developed over time, the program’s immediate objective is to offer competitive default supply rates compared to Eversource while accruing a reserve fund sufficient to ensure long-term financial stability, and additionally offering voluntary products that retail customers may opt-up to receive as well as Net Energy Metering supply rates that allow customer generators to participate in the program.

Rye Community Power will need to balance customer rate levels, renewable power content and the accrual of program reserves to meet these objectives.

Performance Relative to Utility Default Service and Net Energy Metering Generation Rates

Compensation to customer generators under Net Energy Metering generation rates, the timing of the program’s rate setting decisions, and, to a certain degree, the procurement of electricity will need to take into account Eversource’s tariffs, processes and timing in regard to these activities.

Refer to [Attachment 3 - New Hampshire's Renewable Portfolio Standard](#), [Attachment 4 - Utility Default Procurement Cycles and Rate Setting](#), [Attachment 5 - Overview of Utility Net Metering Tariffs](#) and the section “[Net Metering and Group Net Metering Policies](#)” (p. 24) for additional documentation and discussion of these factors.

Customer Rates and Products

The table below provides an illustrative example of a default service product and optional rates that could be offered to customers:

	Default Service \$ Automatic Enrollment	Green Start \$\$	Prime \$\$\$
Attributes:	Meets or beats Renewable Portfolio Standard	~ 25-50% Renewable	51-100% Renewable
Price:	At or below default utility rates	At or slightly higher than default utility rate	Exceeds default utility rate

The products that Rye Community Power initially offers to customers, and the rates charged for each product, will be refined and finalized in advance of program launch.

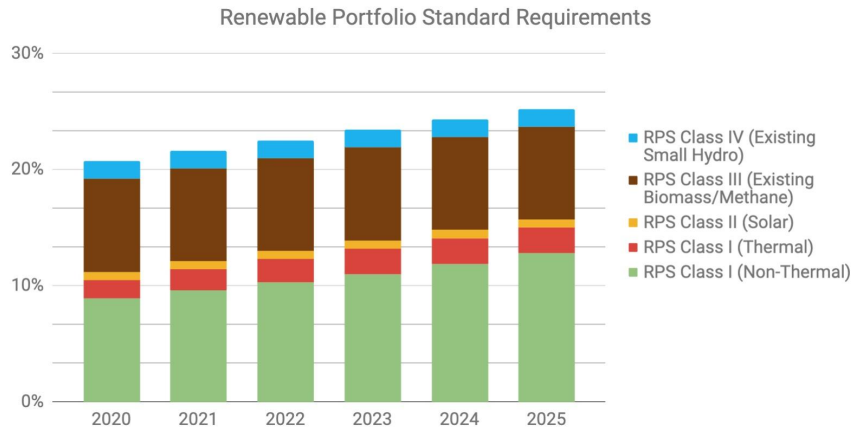
Renewable Portfolio Standard Requirements

New Hampshire’s Renewable Portfolio Standard (RPS) requires all electricity suppliers to obtain RECs for four distinct “classes” of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2022, Eversource is required to include 22.5% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS.

Rye Community Power will seek to procure voluntary renewables in excess of the RPS minimum requirements from “Class 1” resources (as defined in [Attachment 3](#)). Additionally, the program could prioritize including as much renewable energy sourced from generating resources located in New Hampshire and New England as possible.

The chart below shows the different classes and increasing quantities of renewable power required under the RPS:



Energy Risk Management and Financial Reserve Policies Compliance

Rye Community Power’s power procurement, budgeting and rate-setting will be carried out in accordance with the Energy Risk Management Policy and Financial Reserve policies that will be adopted by the Rye Select Board.

This decision-making framework is intended to guide the program to allocate revenues in a manner that appropriately balances our competing priorities — to ensure that Rye Community Power will remain stable, and able to work towards achieving all of our policy goals, over the long-term.

ELECTRIC AGGREGATION PLAN STATUTORY REQUIREMENTS

The following requirements for this Electric Aggregation Plan, in compliance with RSA 53-E:6, are addressed below:

- A. Organizational structure of the program;
- B. Methods of entering into and terminating agreements;
- C. Operation and funding;
- D. Rate setting, costs, and customer enrollment process;
- E. Rights and responsibilities of program participants;
- F. Net metering and group net metering policies;
- G. Ensuring discounts for Electric Assistance Program participants; and,
- H. Termination of program.

Organizational Structure of the Program

Upon approval of this plan, Rye Community Power will be authorized to provide electricity and other related services to participating residents, businesses, and other customers in the Town.

The Rye Select Board will oversee the program and has overall governance authority. Decisions regarding Rye Community Power, such as amending and modifying program goals or this Electric Aggregation Plan (in accordance with RSA 53-E:7, IX), adoption of Energy Portfolio Risk Management, Retail Rates, and Financial Reserve policies (to govern the program's power procurement and rate-setting decisions), will be made by the Rye Select Board at duly noticed public meetings.

The Rye Select Board has appointed a primary and alternate representative to participate in the Community Power Coalition of New Hampshire and to serve on the agency's initial Board of Directors and may delegate certain decision-making authorities to them and other authorized individuals to carry out their responsibilities at the Rye Select Board's direction.

In general, Rye's representatives will be expected to help oversee the start-up and operation of the agency, provide input regarding the Coalition's public advocacy on matters of policy and regulation, provide direction to the Coalition's vendors and/or staff as the agency's operations and customer services evolve over time, and report back regularly regarding the performance of Rye Community Power and on any matter that warrants attention or requires action by the Rye Select Board.

Additionally, the Rye Energy Committee will continue to hold public meetings for the purpose of (1) providing community input and advisory support regarding the program and (2) facilitating public education and engagement in our community.

Methods of Entering Into and Terminating Agreements

This Electric Aggregation Plan authorizes the Rye Select Board to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Rye Community Power. Decisions related to the negotiation, execution, modification, enforcement, and/or termination of agreements shall be made through a majority vote of the Select Board at a duly noticed public meeting.

Operation and Funding

Rye Community Power will contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate the program.

This plan assumes, but does not require, Rye to participate fully in the Coalition and thereby contract for operational services jointly with other participating Community Power programs.

The Coalition's third-party contractors will be expected to fund the upfront cost of implementing Rye Community Power, the expense of which will be amortized and recovered in the program's rates and charges to participating customers. The program may also seek opportunities to apply for grant funding, either independently or through the Coalition.

Services provided by third-party entities required to launch and operate the program may include portfolio risk management advisory services, wholesale Load Serving Entity (LSE) services, financial services, electronic data interchange (EDI) services with the utility, and customer notification, data management, billing, and relationship management (e.g., call center, website, etc.) services. Additional information on how Rye Community Power will implement Load Serving Entity (LSE) services is found in Attachment 9, How Load Serving Entity Services will be Implemented.

Additional support services such as management and planning, budgeting and rate setting, local project development support, regulatory compliance, and legislative and regulatory engagement services (on matters that could impact the program and participating customers) will be addressed through a combination of staff support and third-party services, the expense of which will also be subsequently recovered in the program's rates and charges to participating customers.

Rye Community Power will provide "all-requirements" electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services (unless otherwise provided for by the utility), 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. (Refer to Attachment 3 for details regarding the requirements of Renewable Portfolio Standard statute, RSA 362-F.)

If a single supplier is relied upon to provide all-requirements electricity on behalf of Rye Community Power, then (1) the supply contract will be executed or guaranteed by entities that possess at least a BBB- or equivalent investment-grade rating issued by a nationally recognized statistical rating organization (NRSRO), and (2) the supplier will be required to use proper standards of management and operations, maintain sufficient insurance, and meet appropriate performance requirements for the duration of the supply contract. Alternatively, if a portfolio of contracts with multiple entities is structured to diversify counterparty credit risk exposure, and actively managed to provide for all-requirements electricity on behalf of Rye Community Power, then counterparty credit requirements and monitoring, hedging transaction authorities, residual ISO-NE market exposure limits, and reporting requirements will be carried out in accordance with

Energy Portfolio Risk Management, Rates, and Financial Reserves policies that would be established prior to commencing procurement and implementing the program.

Additionally, RSA 53-E provides Community Power programs with authorizations pertaining to meter ownership, meter reading, billing, and other related services. These authorizations provide Rye Community Power with the practical ability to help customers adopt and use innovative technologies (for example, building management systems, smart thermostats, backup battery storage systems, controllable electric vehicle chargers, etc.) in ways that save money, enhance grid resiliency, and decarbonize our power supply.

However, the implementation of these authorities is expected to take some time, as it requires action by the Public Utilities Commission to adopt enabling rules and coordination with Eversource to adapt existing meter and billing system processes.

Rate Setting, Costs, Enrollment Process, and Options

Customers who choose not to participate in Rye Community Power shall not be responsible for any costs associated with the program, apart from incidental costs incurred by the Town prior to the point at which the program starts producing revenue from participating customers (for example, contract review by an attorney, but not any operational or capitalized costs of the program).

Rate Setting and Costs

Rye Community Power will only launch if it is able to offer residential default rates that are initially lower than or competitive with those offered by Eversource; thereafter, the program will strive to maintain competitive rates for all default service customers, as well as customers who opt-in or opt-up to receive optional retail products, while working to achieve the program's goals (as set forth in this Electric Aggregation Plan and modified from time to time at the direction of the Rye Select Board).

The Rye Select Board will adopt Energy Risk Management and Financial Reserve policies to govern the program's power procurement and rate-setting decisions. Rates will be set at a level such that revenues from participating customers are projected to meet or exceed the ongoing costs of the program. No revenues collected from participating customers shall be deposited into any general fund and/or used for any purposes inconsistent with the goals of Rye Community Power.

To ensure the financial stability of Rye Community Power, a portion of revenues will be deposited in a financial reserve account. In general, the fund will be restricted for uses such as:

- **In the near-term**, maintain competitive customer rates in the context of price fluctuations in the electricity market and other factors;
- **In the medium term**, as collateral for power purchase agreements (including for the development of new renewable and battery storage projects), and for additional credit enhancements and purposes that lower the program's cost of service; and
- **Over the long term**, may also be used to directly fund other program financial requirements, or to augment the financing for development of new projects and programs in the later years of the program, subject to the Rye Select Board's approval.

As required by law, the program will 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.

In other words, customers will be treated the same based on their circumstances. For example, any customers that opt-in after being offered the opportunity to participate during the initial enrollment period may be offered rates that reflect how market prices have changed in the intervening period.

Changes to the program's default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.

Enrollment Process and Options

Rye Community Power intends to launch on an opt-out basis, providing an alternative default service to the utility provided default service rate. After approval of this Electric Aggregation Plan and before the launch of Rye Community Power, all customers in the Town will be sent notifications regarding the program and offered the opportunity to participate:

- **Customers currently on default service provided by Eversource** will be sent "opt-out" notifications — describing the program, its implications for the Town, the rights and responsibilities of customers, and program rates and charges — with instructions on how to decline participation, and thereafter be transferred to Rye Community Power if they do not opt- out of the program prior to launch.
- **Customers already served by Competitive Electric Power Suppliers** will receive "opt-in" notifications describing the program and may request to opt-in to the program.

If Eversource has not fully implemented Public Utilities Commission rules and procedures governing Community Power Aggregation service, certain groups of customers on default service provided by Eversource may need to be offered service on an opt-in basis, and/or offered service on an opt-out basis at a future date. For example, if Eversource is unable to reliably provide Rye Community Power with the data on customer-generators necessary to offer Net Energy Metering (NEM) rates and terms, then Rye Community Power may initially choose to not enroll customer-generators on an opt-out basis, as doing so could risk negatively impacting NEM customer billing and crediting procedures.

Customers will be notified through a mailing, which will be posted not less than 30 days prior to the enrollment of any customers. All information will be repeated and posted at the Town's Community Power website. A public information meeting will be held within 15 days of the notification to answer program questions or provide clarification.

Optional products, such as increased renewable power content in excess of the Renewable Portfolio Standard (RPS) content of the program's default product and other energy services, may be offered on an opt-in basis.

After launch and in accordance with any applicable rules and procedures established by the Public Utilities Commission, new customers will be initially enrolled in utility provided default service, subsequently provided with the default service rates of Eversource and Rye Community

Power and will then be transferred onto Rye Community Power's default service unless they choose to be served by Eversource or a Competitive Electric Power Supplier.

Customers that request to "opt-in" to the program may do so subject to the terms of Rye Community Power.

Residents, businesses, and other electricity customers may "opt-out" of participating in Rye Community Power default service at any time, by submitting adequate notice in advance of the next regular meter reading by Eversource (in the same manner as if they were on utility provided default service or as approved by the Public Utilities Commission). No such customer will be required to pay any exit fee or charge for such transfer, though customers requesting a transfer on a date other than their regular meter reading date may be charged an off-cycle meter reading and billing charge in accordance with RSA 53-E, VIII.

Customers that have "opted-in" to an optional product offered by Rye Community Power may switch back to the Eversource or to take service from a Competitive Electric Power Supplier subject to any terms and conditions of the optional product.

Rights and Responsibilities of Program Participants

All participants will have available to them the customer protection provisions of the law and regulations of New Hampshire, including the right to question billing and service quality practices.

Customers will be able to ask questions of and register complaints with the Town, Eversource, and the Public Utilities Commission.

Rye Community Power shall maintain the confidentiality of individual customer data in compliance with its obligations as a service provider under RSA 363:38 (privacy policies for individual customer data; duties and responsibilities of service providers) and other applicable statutes and Public Utilities Commission rules. Individual customer data includes information that singly or in combination can identify that specific customer including the individual customers' name, service address, billing address, telephone number, account number, payment information, and electricity consumption. Such individual customer data will not be subject to public disclosure under RSA 91- A (access to governmental records and meetings). Suppliers and vendors for Rye Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b). Attachment 10, Customer Data Protection Plan, details the reasonable security procedures and practices that the Town and Rye Community Power will employ to protect individual customer data from unauthorized access, use, destruction, modification or disclosure.

Aggregate or anonymized data that does not compromise the confidentiality of individual customers may be released at the discretion of Rye Community Power and as required by law or regulation.

Participants will continue to be responsible for paying their bills. Failure to do so may result in a customer being transferred from Rye Community Power back to Eversource (the regulated distribution utility and provider of last resort) for default energy service, payment collections and utility shut offs under procedures subject to oversight by the Public Utilities Commission.

Net Metering and Group Net Metering Policies

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

Currently, customer-generators are charged their full retail rate for electricity supplied by Eversource and receive credits for electricity they export to the grid based on Eversource's Net Energy Metering (NEM) tariffs.

Rye Community Power intends to provide new rates and terms that compensate participating customer-generators for the electricity supply component of their net metered surplus generation. Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from Eversource, as specified under the terms of their applicable net energy metering tariff.

For group net metering where the host customer-generator is on default service, to the extent Rye Community Power's supply rates are lower than Eversource's default service rate or if the host is located outside of Rye, it may be most advantageous for the host to remain a Eversource default service customer, while the other group members are free to switch to Rye Community Power for their supply and continue to receive on-bill credits for their participation in the group.

Rye Community Power's exact terms, conditions, and rates for compensating and crediting different types of NEM customer generators in the Town will be set at duly noticed public meetings and fully disclosed to all prospective NEM customers through the program's enrollment notification process and thereafter.

Certain aspects of administering net energy metering require coordination with Eversource and Rye Community Power. The enabling services and strategies that Rye Community Power may pursue, in order to benefit and encourage customers to adopt distributed generation (generation at or near the location where energy is consumed), include but are not limited to:

- Dual-billing customer-generators separately for supply services;
- Offering time-varying rates and alternative credit mechanisms to compensate customers for surplus generation;
- Streamlining the establishment of new Group Net Metering and Low-Moderate Income Solar Project groups;
- Facilitating interval meter and Renewable Energy Certificate (REC) meter installations for customer-generators; and
- Engaging at the Legislature and Public Utilities Commission to advocate for upgrades and reforms to metering and billing infrastructure and business processes to enable Net Energy Metering and other innovative services to benefit customer-generators.

For additional details regarding these enabling services and strategies, refer to:

- [Attachment 5](#) provides an overview of Eversource's net energy metering tariffs in use today, including the "standard" and "alternative" tariffs for individual customer-generators as well

as Group Net Metering and Low-Moderate Income Solar Project options, and tables showing the number of customer-generators on net metered service in each utility territory;

- Attachment 6 provides an in-depth discussion regarding operational and strategic opportunities to enhance net metering and group net metering through Rye Community Power.

Ensuring Discounts for Electric Assistance Program Participants

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. Rye Community Power will support income eligible customers who enroll in the Electric Assistance Program to receive their discount.

Electric Assistance Program 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. Rye Community Power consequently plans to rely on Eversource to bill all customer accounts enrolled in the Electric Assistance Program. This represents no change in the provision or funding of this program.

This arrangement may be revisited if, at some point in future, the Public Utilities Commission enables Community Power programs to provide Electric Assistance Program customers with their discount directly.

Termination of the Program

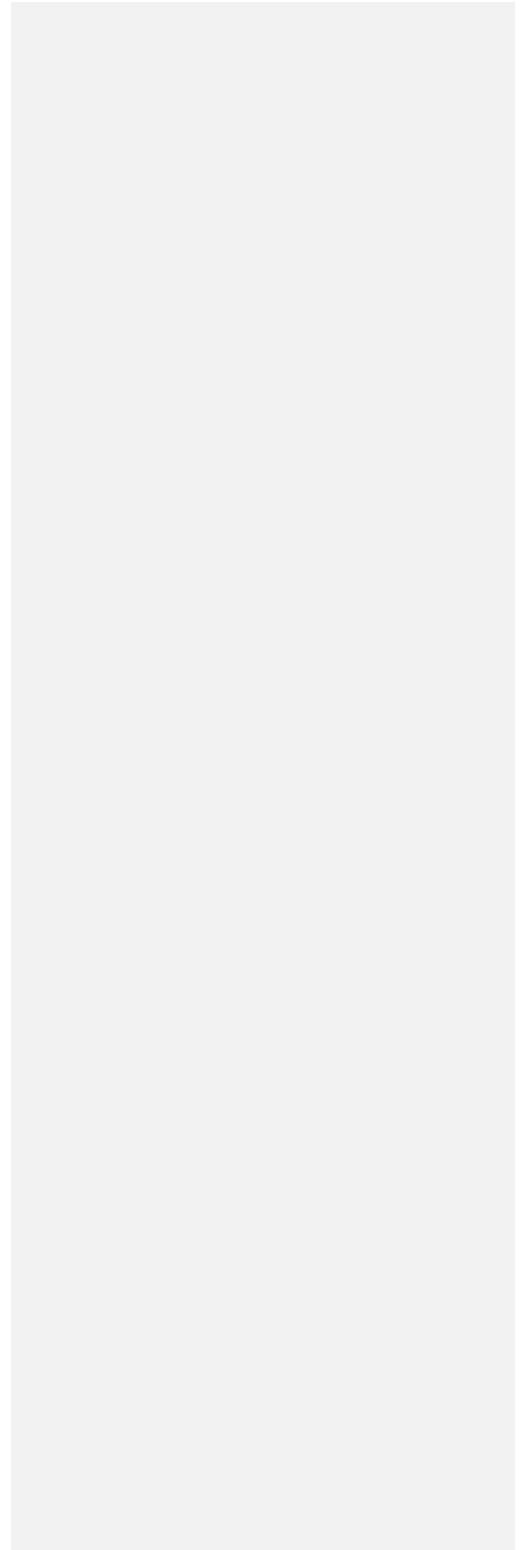
There is no planned termination date for Rye Community Power.

Rye Community Power may be terminated by majority approval of those present and voting at Town Meeting. If so terminated, Rye Community Power would cease operations after satisfying any obligations contractually entered into prior to termination, and after meeting any advance notification period or other applicable requirements in statute or regulation, at which point participating customers would either be transferred to default service provided by Eversource or to a Competitive Electric Power Supplier of their choosing.

Rye Community Power will provide as much advance notice as possible regarding the potential or planned termination of the program to participating customers, the Coalition, the Public Utilities Commission and Eversource.

Upon termination, the balance of any funds accrued in the program's financial reserve fund and other accounts, if any, would be available for distribution or application as directed by the Rye Select Board and in accordance with any applicable law and regulation. Any such distribution would provide for the fair and equitable allocation of funds to participating customers and/or would utilize those funds for projects and/or services consistent with the goals of Rye Community Power.

ATTACHMENTS



ATTACHMENT 1: LEGISLATIVE BACKGROUND AND LOCAL CONTROL AUTHORITIES

In 1996, New Hampshire led the nation in being the first state to pass an Electric Utility Restructuring Act ([RSA 374-F](#)), the purpose of which is excerpted in full below:

- I. *The most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets. The overall public policy goal of restructuring is to develop a more efficient industry structure and regulatory framework that results in a more productive economy by reducing costs to consumers while maintaining safe and reliable electric service with minimum adverse impacts on the environment. Increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry that will require unbundling of prices and services and at least functional separation of centralized generation services from transmission and distribution services.*
- II. *A transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire constitution which reads in part: "Free and fair competition in the 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." Competitive markets should provide electricity suppliers with incentives to operate efficiently and cleanly, open markets for new and improved technologies, provide electricity buyers and sellers with appropriate price signals, and improve public confidence in the electric utility industry.*
- III. *The following interdependent policy principles are intended to guide the New Hampshire public utilities commission in implementing a statewide electric utility industry restructuring plan, in establishing interim stranded cost recovery charges, in approving each utility's compliance filing, in streamlining administrative processes to make regulation more efficient, and in regulating a restructured electric utility industry. In addition, these interdependent principles are intended to guide the New Hampshire general court and the department of environmental services and other state agencies in promoting and regulating a restructured electric utility industry.*

Prior to this point, state regulators set retail customer rates to allow electric utilities to recover profits and prudently earned costs for "vertically integrated" monopoly service — spanning wholesale electricity generation, transmission, local distribution, and retail customer services (metering, billing, collections, call center operations, and so on).

Restructuring sought to increase competition and technological innovation in the markets for wholesale electricity supply and retail customer services by requiring electric utilities to divest of their generation portfolios, creating a Federally regulated regional electricity market or "Independent System Operator" (ISO New England is the market operator for New England), and allowing Competitive Electric Power Suppliers (CEPs) to offer electricity supply rates and other services to retail customers.

Customers that did not choose a competitive supplier were left on "default service" provided by the electric utilities — afterwards referred to as "electric distribution companies" — which continue to be regulated by the Public Utilities Commission. The distribution utilities periodically

hold auctions for competitive suppliers to bid against one another for the right to supply electricity to default service customers in large groups to competitive suppliers. (Refer to [Attachment 4](#) for additional details on this process.)

Status of the Competitive Market

Nearly a quarter century has passed, and New Hampshire’s competitive market has seen little growth since 2013. Four out of five customers remain on default service provided by the distribution utilities, and the customers that are on competitive supply only account for about half of total electricity usage.

Regulated distribution utilities continue to provide services that are not legal monopolies, and could, therefore, be subject to competitive market forces, such as: default electricity supply, metering, meter data management, billing, and other retail customer services (such as demand response and energy storage for smaller customers). However, historically, those competitive market forces have not been meaningfully developed.

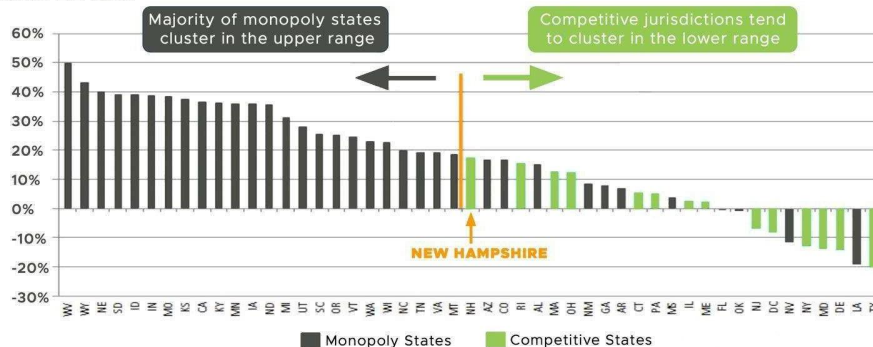
The continued reliance on utilities to provide these customer-facing services has necessitated state regulation over many aspects of the retail customer market. Utility regulation relies on administrative regulatory proceedings, which are necessarily more slow-moving and unable to respond to changing customer technologies and wholesale market dynamics (such as the increased price volatility caused by higher levels of renewable generation) compared to the nimbler, market-based framework envisioned under the Electric Utility Restructuring Act.

Residential customers, in particular, are not offered many rate options or clean technology innovations today: out of the 29 competitive suppliers currently offering service in New Hampshire, only nine offer service to residential customers (and only four serve customers in every distribution utility territory).

As a consequence, New Hampshire has fallen behind every other state with a restructured electricity market in terms of price competition (*Credit: Retail Energy Supply Association, 2020*):

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

Source: EIA 861M



The Community Power Act

In order to support the growth of competitive market services in alignment with The Electric Utility Restructuring Act, RSA 53-E (as modified by Senate Bill 286 and House Bill 315) authorizes towns, cities, and counties to launch Community Power programs that replace distribution utilities as default suppliers of electricity to retail customers. The purpose of RSA 53-E is excerpted below:

“The general court finds it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services. The general court finds that aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies. The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.”

To achieve this purpose, RSA 53-E:3 allows Community Power programs to enter into agreements and provide for:

“the supply of electric power and capacity; demand side management; conservation; meter reading with commission approval for meters owned or controlled by the electric distribution utilities or used for load settlement; customer service for aggregation provided services; other related services; and the operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality’s governing body.”

RSA 53-E further provides Community Power programs with authorizations and regulatory pathways to offer more advanced meters for customers, and to provide for alternative customer billing options. Both metering and billing services are important means by which Community Power programs will be able to better engage customers and offer more innovative services that lower the energy expenditures and carbon emissions for individual customers and communities.

To enable all municipalities to work together to achieve this purpose, RSA 53-E:3 provides that *“such agreements may be entered into and such services may be provided by a single municipality or county, or by a group of such entities operating jointly pursuant to RSA 53-A.”*

To ensure that utilities are fairly compensated for their continuing role in owning and operating the distribution grid, RSA 53-E:4(III) stipulates that:

“Transmission and distribution services shall remain with the transmission and distribution utilities and who shall be paid for such services according to rate schedules approved by the applicable regulatory authority, which may include optional time varying rates for transmission and distribution services that may be offered by distribution utilities on a pilot or regular basis.”

The law further provides that Community Power programs “shall not be required to own any utility property or equipment to provide electric power and energy services to its customers.”

Enabling locally controlled Community Power programs, in order to exercise local control over these authorities and bring in third-party competitors to provide more innovative services on a community-wide scale, represents a viable and stable pathway to animate competitive retail markets across New Hampshire — and thus realize a lower-cost, more innovative and sustainable future for both our community and all Granite Staters.

Rye is committed to using its local control authorities granted under RSA 53-E to accelerate innovation, customer and community choice in electricity supply, the creation of new economic value, and a sustainable and resilient future for our Town and customers.

ATTACHMENT 2: THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE

Rye is a founding member of the Community Power Coalition of New Hampshire (“CPCNH” or “the Coalition”), a nonprofit joint powers agency authorized under RSA 53-A and governed by participating communities under the terms of the Joint Powers Agreement unanimously approved by Rye’s Select Board on September 7, 2021.

The Joint Powers Agreement is available on the Coalition’s webpage (<http://www.cpcnh.org>). The agreement includes the nonprofit’s Bylaws and Articles of Agreement, and details the common purpose, authorities, structure, Board of Directors, committees, cost sharing principles, liability protections, and other aspects of the organization.

The Coalition was incorporated on October 1, 2021 by the following founding local government Members: the cities of Lebanon, Nashua and Dover; the towns of Hanover, Harrisville, Exeter, Rye, Warner, Walpole, Plainfield, Newmarket, Enfield and Durham; and Cheshire County.

Each Member has appointed a Director and Alternate to serve on the Coalition’s Board of Directors. The Board directly oversees the initial startup and implementation activities of the Coalition.

As of June 2022, CPCNH is governed by a Board of Directors composed of 37 representatives (elected officials, staff and volunteers serving on local energy committees) appointed by each of our local government Members to serve as either a Director or Alternate Director. Board and committee meetings are open to the public.

Since incorporating, the agency has:

- Established an Executive Committee, Finance Committee, Member Operations & Engagement Committee, Risk Management Committee, Regulatory & Legislative Affairs Committee, and CEO & Staff Search Committee
- Received approximately \$135,000 in grants and donations to cover start-up administrative expenses and consulting services.
- Contracted for General Counsel legal services on an at-risk, deferred compensation basis (to be repaid after the launch of Community Power Aggregation (CPA) service) provided by Duncan Weinberg Genzer & Pembroke, P.C. with Eli Emerson from Primmer Piper Eggleston & Cramer as New Hampshire counsel.
- Contracted for technical consulting services provided by Community Choice Partners, Inc., with two-thirds compensation on an at-risk, deferred basis (to be repaid after the launch of CPA service).
- Contracted with Herndon Enterprises, LLC to provide organizational and Member services support.
- Issued a Request for Information and subsequent Request for Proposals for Comprehensive Services and Credit Support, both of which received numerous competitive responses from candidate service providers.

Municipalities that adopt the Joint Powers Agreement in the future may subsequently apply for membership in the Coalition under the terms and procedures provided for under the agreement.

Coalition Design Process

The Coalition “Organizing Group” was initially convened in December 2019, with communities interested in Community Power meeting regularly to research national best practices and explore the viability of establishing a collaborative nonprofit to share services across municipalities and counties:

- The Coalition’s initial Organizing Group consisted of the cities of Lebanon and Nashua, the towns of Hanover and Harrisville, and Cheshire County;
- Technical and community advisors included representatives from both Thayer School of Engineering and Tuck School of Business at Dartmouth, the Monadnock Sustainability Hub, Clean Energy New Hampshire, Growing Edge Partners, and Community Choice Partners;
- Activities were carried out in four working group tracks: Governance Agreements, Regulatory and Policy Engagement, Design and Implementation, and Community Engagement.

Members of the Coalition’s Organizing Group have:

- Participated in the Community Power informal rule drafting process, including by providing the initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and leading significant portions of the subsequent stakeholder workshops at the request of Public Utilities Commission staff;
- Intervened in regulatory proceedings and legislative hearings to represent the interests of communities and customers, such as by advocating for expanded data access in the Commission’s Statewide Data Platform docket, DE 19-197, and successfully negotiating the clarification and expansion of key Community Power authorities in House Bill 315;
- Assessed power agency design best practices — in terms of public governance and competitive operating models — by interviewing elected officials, senior staff, and vendors operating Community Power programs in other states, along with representatives from public power associations (such as the American Public Power Association and the Vermont Public Power Supply Authority) and other industry experts; and
- Hosted a virtual summit on Community Power that was attended by over eighty representatives from thirty-one municipalities, collectively representing one-quarter of the state’s default electricity market.

The City of Lebanon, using grant funding and in collaboration with the Organizing Group executed legal, community engagement, and professional service contracts to help formally establish and implement the Community Power Coalition of New Hampshire.

Joint Powers Agreement Drafting Process

The Organizing Group began by surveying other Community Power states and the broader public power industry, assessed the legal and governance structure of a selection of successful nonprofit power agencies that provide services to multiple municipal members, and interviewed staff and elected officials involved.

After discussing joint governance issues and reviewing the governance documents of comparable entities, the Organizing Group created a draft Joint Powers Agreement for the Coalition in July 2020. In September 2020, the City of Lebanon and Town of Hanover, in collaboration with the Organizing Group, reviewed six responses to a Request for Qualifications and retained the legal services of Duncan, Weinberg, Genzer & Pembroke (DWGP). The firm was hired to provide advice on key aspects of joint power agency governance and to finalize the Coalition’s Joint Powers Agreement, in compliance with

RSA 53-A., with additional support provided by New Hampshire counsel on a subcontracted basis. DWGP are national leaders with over 50 years in public power legal guidance, and the project was led by DWGP President Michael Postar Esq.

The Joint Powers Agreement was finalized in December 2020.

Outreach and Implementation Process

In February 2021, the City of Lebanon, using previously secured grant funding and in collaboration with the Coalition’s Organizing Group, contracted with Henry Herndon (formerly the Director of Local Energy Solutions at Clean Energy New Hampshire) and Samuel Golding of Community Choice Partners, Inc., to provide implementation support services prior to launch.

Mr. Herndon was enlisted to facilitate branding and policy communication efforts, draft an outreach strategy, compile resources and facilitate the engagement of prospective members, and onboard new members and their representatives throughout the state to the Coalition.

Mr. Golding was enlisted to advise on Community Power rule development at the Public Utilities Commission and other regulatory and legislative affairs, draft Electric Aggregation Plans and supporting municipalities through the local approval process, create educational materials and presentations, draft a business plan and budget for the Coalition, advise on Board policies and staffing, prepare vendor surveys and a request for proposals for the services and financing required to launch Community Power programs, and assist in the bid evaluation, award and contracting process.

ATTACHMENT 3: NEW HAMPSHIRE’S RENEWABLE PORTFOLIO STANDARD

New Hampshire’s Electric Renewable Portfolio Standard (“RPS”) statute, RSA 362-F, established the renewable energy policy for the State.

The RPS statute requires each electricity provider, including Eversource and Rye Community Power, to meet a certain percentage of customer load by purchasing, generating or otherwise acquiring Renewable Energy Certificates (“RECs”):

- One REC represents the renewable attributes of one megawatt-hour of electricity, or the equivalent amount of useful thermal energy.
- RECs are generated by certified renewable energy facilities for power that is physically delivered into the New England wholesale electricity market operated by ISO-New England (which means the power can come from within New England, New York or eastern Canada).
- The New England Power Pool Generation Information System (NEPOOL GIS) issues and tracks RECs for the region.
- RECs are generally used for compliance in the same year as the renewable power was generated, though suppliers may “bank” RECs for up to two years to meet up to 30% of compliance requirements.

There are four distinct “classes” of renewable certificates under the RPS, each distinguishing between different technologies and dependent upon the year that the generators came online:

1. Class I is divided between thermal and non-thermal renewables:
 - Class I non-thermal electricity, from generators that came online after January 1, 2006: wind, solar, small hydroelectric, methane (biologically derived such as from anaerobic digestion of organic materials), biomass, hydrogen (from methane or biomass), ocean thermal, current, tidal or wave energy and also biodiesel (if produced in state).
 - Class I thermal energy, from generators that came online after January 1, 2013 (and are producing thermal energy, rather than electricity): geothermal, solar thermal, biomass and methane.
2. Class II: solar generation that came online after January 1, 2006
3. Class III: biomass & methane that came online before January 1, 2006
4. Class IV: small hydroelectric that came online before January 1, 2006

Electricity suppliers must obtain RECs for each of the four classes of renewables as a set percentage of their retail electric load, which increase on an annual basis (until plateauing after 2025, unless the RPS is raised in future):

Compliance Year	Total RPS Requirement	Class I Non-Thermal	Class I Thermal	Class II Solar	Class III Biomass & Methane	Class IV Small Hydro
2020	20.70%	8.90%	1.60%	0.70%	8.00%	1.50%
2021	21.60%	9.60%	1.80%	0.70%	8.00%	1.50%
2022	22.50%	10.30%	2.00%	0.70%	8.00%	1.50%
2023	23.40%	11.00%	2.20%	0.70%	8.00%	1.50%
2024	24.30%	11.90%	2.20%	0.70%	8.00%	1.50%
2025 onwards	25.20%	12.80%	2.20%	0.70%	8.00%	1.50%

Note the following flexibilities in meeting Class I requirements:

- Class I non-thermal requirements may be met with Class I thermal biomass and methane resources;
- Class I requirements may also be met with Class III (biomass & methane, thermal and non-thermal) or Class IV (small hydroelectric, non-thermal) resources that have been restored through significant investment or have otherwise begun generating in excess of historic baselines; and
- Solar that came online after January 1, 2006 may be used to satisfy Class II or Class I requirements.

Additionally, net metered customers (primarily customers with solar photovoltaics) that meet certain registration and administrative requirements can track and sell their RECs (which are accounted for in NEPOOL’s Generation Information System). Not all customers do, however, and the REC production from such customer generators are estimated by the Public Utilities Commission each year and applied to lower the Class I and Class II procurement requirements of the utilities and other suppliers.

If the electricity providers are not able to meet the RPS requirements by purchasing or acquiring renewable energy certificates, they must pay alternative compliance payments (ACPs). The funds are used for a variety of renewable programs in New Hampshire.

The result is that these alternative compliance payment prices essentially act as a price ceiling for the REC market in New Hampshire. The ACPs for RECs by class in recent years are:

Inflation Adjusted Alternative Compliance Payment Rate (\$ per Megawatt Hour)					
	2017	2018	2019	2020	2021
Class I (Non-Thermal)	\$ 56.02	\$ 56.54	\$ 57.15	\$ 57.61	\$ 57.99
Class I Thermal	\$ 25.46	\$ 25.69	\$ 25.97	\$ 26.18	\$ 26.35
Class II	\$ 56.02	\$ 56.54	\$ 57.15	\$ 57.61	\$ 57.99
Class III	\$ 55.00	\$ 55.00	\$ 55.00	\$ 34.54	\$ 34.99
Class IV	\$ 27.49	\$ 28.00	\$ 28.60	\$ 29.06	\$ 29.44

For example, Eversource, Unital, and the New Hampshire Electric Cooperative have recently made alternative compliance payments instead of purchasing certain categories of RECs:

2019 Company	Alternative Compliance Payments (ACPs)					Total
	Class I	Class I Thermal	Class II	Class III	Class IV	
Liberty Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Hampshire Electric Cooperative	\$ -	\$ 187,192	\$ -	\$ -	\$ -	\$ 187,192
Eversource Energy	\$ -	\$ 519,893	\$ -	\$ -	\$ -	\$ 519,893
Unital Energy Systems, Inc.	\$ -	\$ -	\$ 1,029	\$ -	\$ -	\$ 1,029
Distribution Utilities Subtotal	\$ -	\$ 707,085	\$ 1,029	\$ -	\$ -	\$ 708,114

For additional information on the Renewable Portfolio Standard, refer to:

- [New Hampshire’s RPS statute \(RSA 362-F\)](#)
- [Public Utilities Commission RPS Website](#)
- [New Hampshire Renewable Energy Fund Annual Report \(1 October 2020\)](#)
- [UNH Sustainability Institute Study: New Hampshire RPS Retrospective 2007 to 2015](#)

ATTACHMENT 4: UTILITY DEFAULT PROCUREMENT CYCLES AND RATE SETTING

Rye Community Power has a goal of maintaining competitive default rates compared to Eversource, while also offering voluntary products that retail customers may opt-in to receive.

The timing of the program's rate setting decisions and, to a certain degree, the procurement of electricity will need to consider when Eversource conducts these same activities (particularly for the program's default electricity product).

As context, Eversource, Liberty Utilities and Unitil all issue requests for proposals (RFPs) twice annually for competitive suppliers to assume load-serving entity obligations and supply default customers with electricity for 6-month "strip" periods, with suppliers bidding to serve individual "tranches" or segments of customers by class.

The procurement schedules, tranches and rate practices for each distribution utility are:

- **Eversource** (Public Service Company of New Hampshire): issues RFPs in May and November with bids due in early June and December for suppliers to begin serving customers in August and February, offering four ~100 MW tranches to serve small customers and a single tranche to serve large customers (five tranches in total). Retail rates are fixed over the 6-month period for small customers and vary by month for large customers.
- **Liberty Utilities**: follows the same supplier RFP schedule and retail pricing as Eversource but solicits supply for small customers in a single 6-month block tranche and for large customers in two, consecutive three-month block tranches (3 tranches total), and (2) allows bidders to include and price RPS compliance obligations separately (as an additional product).
- **Unitil**: issues RFPs in March and August for delivery beginning in June and December, offering tranches of residential, small commercial, outdoor lighting and large customers classes (four tranches). The large customer RFP is structured in a distinct fashion, in that it passes through market costs for energy and so suppliers compete to price capacity, congestions, ancillary services, etc. for the large customer tranche over the 6-month term; retail rates reflect these load-serving entity costs along with the pass-through of real time locational marginal market prices (which are load-weighted by the entire class' hourly load shape i.e., not the individual large customer's usage profile). Retail rates for the residential, small commercial, and outdoor lighting classes are fixed over the 6-month term, though customers have the option to choose variable monthly pricing if the election is made prior to the start of the next 6-month term.

Supplier bids are priced in dollars per megawatt-hour (\$/MWh) on a monthly basis and generally exclude Renewable Portfolio Standard (RPS) compliance obligations (called "Renewable Energy Certificates" or "RECs"), though Liberty Utilities allows RECs to be bid as a separate product. Distribution utilities typically procure most or all of their supply of RECs through competitive solicitations held separately from the auctions for default electricity service.

New Hampshire's RPS requires all electricity suppliers to procure or otherwise obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2022, Eversource is required to include 22.5% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS. Refer to [Attachment 3](#) for further details on the RPS.

ATTACHMENT 5: OVERVIEW OF UTILITY NET ENERGY METERING TARIFFS

Discussion of Utility Net Metering, Group Net Metering and Low-Moderate Income Solar Project Tariffs

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

The credits and compensation customer-generators receive for electricity exported to the grid are defined under Net Energy Metering (NEM) tariffs offered by Eversource, Liberty Utilities, Unitil and the New Hampshire Electric Co-op (NHEC). Note that:

- NHEC is a member-owned cooperative and, as such, its rules and regulations are approved by its Board of Directors and are not subject to regulation by the Public Utilities Commission. Additional information regarding NHEC's Net Energy Metering tariffs may be found online under their "[Terms and Conditions](#)".
- The Public Utilities Commission regulates the distribution utilities' Net Energy Metering (NEM) tariffs in accordance with [PUC Rule 900](#) and [RSA 362-A:9](#) (refer to [RSA 362-A:9, XIV](#) specifically for Group Net Metering statutes).

The remainder of this chapter concerns NEM tariffs regulated by the Public Utilities Commission. Note that:

- NEM tariffs offered by the utilities underwent a significant change several years ago;
- Customer-generators that installed systems before September 2017 may still take service under the "NEM 1.0" tariff ("standard" or "traditional" NEM);
- Systems installed after August 2017 must take service under the "NEM 2.0" tariff ("alternative NEM")
- NEM 1.0 customers are allowed to switch to taking service under the NEM 2.0 tariff but cannot subsequently opt-back to NEM 1.0 (with limited exceptions, e.g., participation in certain pilot programs).

Under both tariffs, customer-generators are charged the full retail rate for electricity supplied by Eversource and receive credits for electricity they export to the grid for some (but not all) components of their full retail rate. Refer to the next subsection for tables comparing NEM 1.0 to 2.0 tariffs.

To appropriately measure and credit customer-generators taking service under a NEM tariff, the utility installs a bi-directional net meter that records each kilowatt-hour (kWh) supplied to the customer from the grid and also each kWh that flows back into the grid. This data is recorded and collected on a monthly billing-cycle basis.

For NEM 1.0 tariff systems (installed before September 2017), any kWh exported to the grid are netted against kWh consumed. If there is a net surplus of kWh at the end of the monthly billing

period (i.e., more power was exported to the grid by the customer-generator than was consumed) those surplus or negative kWh are carried forward and can be used to offset future kWh consumption (so the customer only pays for their “net” energy consumption).

For NEM 2.0 tariff systems (installed after August 2017), all customer-generators receive a monetary credit for each kWh that is exported valued at 100% of their default electricity supply rate component for the month. Smaller systems (up to 100 kilowatts in size) additionally receive credits for 100% of the transmission component and 25% of the distribution component of their retail rate. (Larger systems, up to 1,000 kilowatts in size, only receive full credit for the electricity supply rate component.)

Note that most customer-generators in Rye Community Power are expected to be taking service under NEM 2.0 tariffs going forward.

Any credits that accumulate over time are tracked and used to offset the customer-generator’s future electricity bills. Customers may also request to cash-out their surplus credit once a year, after their March billing cycle, if the balance exceeds \$100 (or any balance in the event of moving or service disconnection). NEM 1.0 surplus balances are tracked as kWh credits and are converted to dollars at wholesale avoided costs, while NEM 2.0 surplus balances are tracked as monetary credits directly (in dollars). Note that these cash-outs are treated as taxable income by the Internal Revenue Service (IRS). Payments of \$600 or more remitted to the customer are accompanied by a 1099 form for the IRS. Utilities may also issue IRS Form 1099s for smaller amounts.

Alternatively, Group Net Metering is a process that allows any customer-generator to share the proceeds of their surplus generation credits to directly offset the electricity bills of other customers, which is financially more advantageous and can increase the effective value of the system. All the members in the group need to be within the same distribution utility service territory but may be served by different suppliers. The credits are calculated based on the host site’s NEM tariff and retail rate, and payments are credited to offset the electricity bills of each member directly by the utility (assuming the utility is billing the customers for supply). These allocations are governed by a Group Net Metering Agreement between the host customer-generator and group members, which is part of the registration process overseen by the Public Utilities Commission.

Note that larger systems (up to 1,000 kilowatts in size) actually have to register as group hosts in order to qualify for net metering in the event that the customer-generator exports more than 80 percent of the power produced onsite to the distribution grid. Additionally, if the electricity exported from larger systems exceeds the total electricity usage of the group on an annual basis, the credit for the residual amount (e.g., electricity exported in excess of the group’s total usage) is re-calculated based on their utility’s avoided cost of electricity supply. This rate is lower than the NEM credit based on the customer-generator’s retail rate, and results in a downward payment adjustment issued by the utility to the host customer. Residential systems under 15 kilowatts, however, are not subject to this adjustment.

Most recently, a Low-Moderate Income (LMI) Community Solar Project option has been implemented under Group Net Metering. The program currently provides an incentive of 3 cents per kWh (dropping down to 2.5 cents after July 2021) in addition to the host site’s NEM credits, and solar systems may be either rooftop or ground-mounted systems. To qualify, groups must include at least five residential customers, a majority of which are at or below 300 percent of the federal poverty guidelines, and non-residential customers cannot account for more than 15 percent of the total projected load in the group.

Lastly, all group hosts (except for residential systems under 15 kilowatts) must file an annual report with the Public Utilities Commission and their utility that includes the annual load of the host and members, annual total and net surplus generation of the host site system, and additional information for Low-Moderate Income Community Solar Projects.

In addition to NEM credits, all customer-generators have the option of selling the Renewable Energy Certificates (RECs) produced by their systems. This can provide an additional revenue stream to customer-generators, but requires a separate REC meter, registration and ongoing reporting requirement.

Alternatively, the Public Utilities Commission estimates the RECs that could be produced by all customer-generators who do not separately meter and sell their RECs and lowers the Renewable Portfolio Standard procurement requirements for all load-serving entities by an equivalent amount.

Comparison of Utility “Standard” and “Alternative” Net Energy Metering Tariffs

The tables below compare the two tariff structures, which offer different credits to customers depending on the size of their installed system:

Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid

	NEM 1.0 <i>“Standard NEM”</i> <i>Offered prior to 9/1/2017</i>	NEM 2.0 <i>“Alternative NEM”</i> <i>Effective 9/1/2017</i>
Large Systems <i>100 Kilowatts to 1 Megawatt</i>	Full credit (at the customer’s retail rate) for electricity supply <u>only</u>	
Small Systems <i>≤ 100 Kilowatts</i>	Full credit for electricity supply, distribution, transmission, System Benefits, Stranded Cost & Storm Recovery charges	Full credit for electricity supply and transmission; 25% credit for distribution & no credit for other charges

As shown in the table above, levels of compensation for small customer-generators (with systems up to 100 kilowatts) were lowered, such that these customers no longer receive full compensation on their distribution rate component or several other small charges (e.g., the System Benefits, Stranded Cost and Storm Recovery charges).

Additionally, the NEM 2.0 tariff modified the type of credit, and the ways credits for surplus generation are tracked and refunded, for both small and large customer generators:

- Under NEM 1.0, any surplus generation would be tracked as a kilowatt-hour (kWh) credit, which was carried forward to offset the customer’s consumption (and bill) in future months. For any kWh credits remaining on an annual basis (at the end of March each year), such customers have the option of either continuing to bank their credits to offset future usage, or to convert the kWh credit into a monetary credit, at a rate set by the Public Utilities Commission (typically ~3- 4 cents per kilowatt-hour) and to apply the amount to their account or receive a check for the amount owed.
- Under NEM 2.0, kWh credits are automatically converted into a monetary credit every month, valued at the customer’s retail rate for that specific month. Customers have the option of either carrying the credit forward to offset to their electricity bill in future months or may receive the refund directly as a check.

The crediting mechanism under NEM 1.0 was relatively more advantageous for customers in one respect. Solar systems generate more power in the spring and summer months relative to other seasons; consequently, the credits that customer-generators would accrue during the summer months would offset their consumption in the winter months on a one-to-one, kWh per kWh basis. This is advantageous because winter supply rates are above summer rates on average.

In another respect, NEM 2.0 offers an advantage to customers that accrue surplus credits over the course of the year, because the surplus is calculated based on components of the customer’s retail rate — which is higher than the ~3-4 cents per kilowatt-hour value that is applied to convert NEM

1.0 kWh credits into a monetary credit whenever customers elect to cash-out their surplus.

These changes are summarized in the table below, and apply to all customer-generators regardless of system size:

<p style="text-align: center;">NEM 1.0 “Standard NEM” Offered prior to 9/1/2017</p>	<p style="text-align: center;">NEM 2.0 “Alternative NEM” Effective 9/1/2017</p>
<p>kWh credit carried forward. May be refunded at a rate calculated by the Public Utilities Commission (typically ~3-4¢ per kWh)</p>	<p>kWh converted to monetary credit automatically each month. Monetary credit carried forward as a bill credit or refundable.</p>

Additional details may be found in the Eversource, Liberty Utilities and Unitil tariffs and the Public Utilities Commission website:

- [Eversource Tariffs](#)
- [Unitil Tariffs](#)
- [Liberty Utilities Tariffs](#)
- [PUC overview of Net Metering](#)

- [PUC graphic explanation of NEM 1.0 vs. NEM 2.0.](#)

Net Energy Metering Systems by Utility Territory

According to the most recent [Energy Information Agency \(EIA\) Form 861m data](#), there are about 11,000 customer-generators taking service under Net Energy Metering tariffs in New Hampshire, with a cumulative installed capacity of approximately 140 megawatts (in terms of nameplate capacity in alternating current, or “AC”). Estimated numbers of customer-generators and installed capacity by technology are summarized below:

- Solar photovoltaics: ~120 megawatts (MW) and 10,760 customer-generators; note that:
 - Group Net Metering accounts for an additional ~1.5 MW serving 56 customers; and
 - Sixteen residential customers, in addition to solar photovoltaics, also have battery storage systems with a cumulative capacity of 175 kilowatts (an average size of ~11 kilowatts per customer).
- Onsite wind: 412 kilowatts (kW) and 72 customer-generators.
- “Other” technologies (presumably, small hydro or qualifying combined heat and power systems, or “CHP”): ~17.5 megawatts (MW) and 55 customer-generators.

The table below provides the number of customer-generators in each distribution utility territory:

Number of Net Metered Customer-Generators by Technology

	Customer-Generators by Technology				Subsets of Solar PV Customers	
	Total	Wind	Other (CHP or Hydro)	Solar PV	Group Net Metering	Battery Storage
Eversource	7,949	37	52	7,860	21	0
Unitil	1,066	3	1	1,062	0	0
Liberty Utilities	724	1	0	723	22	16
NHEC	1,204	31	2	1,171	13	0
Total	10,943	72	55	10,816	56	16

The number of customer-generators by customer class with onsite solar photovoltaic systems, total installed capacity, and average solar system size in each utility territory are provided for reference in the tables below.

Note that these tables do not include Group Net Metered systems and participating customers within groups and reflect only installed solar photovoltaic system capacity (i.e., exclusive of onsite battery storage capacity).

Net Metered Solar Photovoltaic Systems: Number of Customer-Generators

	Residential	Commercial	Industrial	Total Customer-Generators
Eversource	7,195	630	35	7,860
Unitil	973	61	6	1040
Liberty Utilities	633	77	0	710
NH Electric Coop	1,065	81	4	1,150
Total	9,866	849	45	10,760

Net Metered Solar Photovoltaic Systems: Total Installed Capacity (MW-AC)

	Residential	Commercial	Industrial	Total Installed Capacity (MW-AC)
Eversource	54.15	29.66	5.09	88.91
Unitil	7.40	2.30	0.73	10.43
Liberty Utilities	4.78	5.12	0.00	9.90
NH Electric Coop	7.61	2.46	0.60	10.66
Total	73.94	39.54	6.42	119.90

Net Metered Solar Photovoltaic Systems: Average System Size (kW-AC)

	Residential	Commercial	Industrial	Average System Size (kW-AC)
Eversource	7.5	47.1	145.5	66.7
Unitil	7.6	37.8	121.2	55.5
Liberty Utilities	7.6	66.5	N/A	24.7
NH Electric Coop	7.1	30.3	149.0	62.2
Average	7.5	45.4	138.6	52.3

ATTACHMENT 6: COMMUNITY POWER NET METERING, GROUP NET METERING AND LOW-MODERATE INCOME SOLAR PROJECT OPPORTUNITIES

Please refer to [Attachment 5: Overview of Utility Net Metering Tariffs](#) as context for this section.

RSA 362-A:9,II grants Community Power programs broad statutory authority to offer customer-generators new supply rates and terms for the generation supply component of Net Energy Metering (NEM). The relevant statutory authority is quoted in full below:

“Competitive electricity suppliers registered under RSA 374-F:7 and municipal or county aggregators under RSA 53-E determine the terms, conditions, and prices under which they agree to provide generation supply to and credit, as an offset to supply, or purchase the generation output exported to the distribution grid from eligible customer-generators. The commission may require appropriate disclosure of such terms, conditions, and prices or credits. Such output shall be accounted for as a reduction to the customer-generators’ electricity supplier’s wholesale load obligation for energy supply as a load service entity, net of any applicable line loss adjustments, as approved by the commission. Nothing in this paragraph shall be construed as limiting or otherwise interfering with the provisions or authority for municipal or county aggregators under RSA 53-E, including, but not limited to, the terms and conditions for net metering.”

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

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

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

In particular, Rye Community Power will be one of the first default aggregation programs to launch in New Hampshire, and the process of transferring significant numbers of NEM customers may cause unanticipated issues due to the metering, billing, and data management requirements of this subset of customers. Rye Community Power will maintain close coordination with Eversource to expeditiously resolve any such issues that may occur.

For example, Rye Community Power may decide to separately issue supply bills to customers that have installed systems after September 2017.

The advantage in dual-billing this subset of customers stems from what is essentially an accounting irregularity in how utility billing systems currently treats customer-generators taking service under the NEM 1.0 tariff, which applies to systems installed before September 2017, versus the NEM 2.0 tariff, which applies to all systems installed after that date. As context:

- The cumulative surplus generation exports of net metered customer-generators will decrease the amount of electricity that Rye Community Power will have to purchase from the regional power market to supply other customers in the program. The surplus generation from both NEM 1.0 and NEM 2.0 customer-generators is tracked and netted out from the program’s wholesale load obligations by Eversource for this purpose.
- However, for the purpose of netting out of the program’s Renewable Portfolio Standard (RPS) compliance requirements, the surplus generation from NEM 1.0 customers is tracked and accounted for differently than it is for NEM 2.0 customers:
 - Surplus generation from NEM 1.0 customers is tracked as a kWh credit that is carried forward to offset the customer’s future electricity supply requirements; these kWh credits will be counted as an offset that decreases the total electricity supplied by the program to retail customers in aggregate — which lowers the program’s RPS compliance obligation.
 - Surplus generation from NEM 2.0 customers is tracked as a monetary credit that is carried forward to offset the customer’s future electricity bills; even though the monetary credit is calculated each month based on every customer’s kWh surplus generation, the monetary credit is treated as a resale or delivery of power generated by NEM 2.0 customer and provided to other participating customers through the program — it is not treated, in other words, as an offset that decreases the total electricity supplied by program to retail customers in aggregate — and therefore does not lower RPS compliance obligations in the same way.

The practical consequence of this accounting treatment is that Rye Community Power would have to purchase Renewable Energy Certificates for the amount of surplus generation supplied by NEM 2.0 customer-generators (but not NEM 1.0 customer-generators) in the same way as if the program had imported that amount of electricity from the regional wholesale market.

Taking on the responsibility of billing this subset of NEM 2.0 customers directly may allow Rye Community Power to track and account for the impact of their surplus generation in ways that lower the program’s RPS compliance obligations and costs. Specifically, the program could credit customers currently on the utility’s NEM 2.0 tariff in the same way that NEM 1.0 customers are credited (i.e., using kWh credits to track surplus generation on the supply portion of the bill). Note that RSA 362-A:9,II explicitly grants Community Power programs the flexibility to offer net metered customers either:

- A “credit, as an offset to supply” for their surplus generation, which is equivalent to the NEM 1.0 tariff accounting; or
- To “purchase the generation output exported”, which is equivalent to how the NEM 2.0 tariff tracks surplus generation.

Exercising the first option listed above, by offering NEM 2.0 customers a kWh credit tracked as an offset to supply, would allow Rye Community Power to harmonize the accounting treatment of NEM 1.0 and 2.0 surplus generation for the purpose of program RPS compliance reporting. This would lower program rates and is an option that the program may therefore find cost-effective to implement.

Additionally, certain customer-generators currently receiving IRS Form 1099 taxable income from monetary credits paid out by their utility under NEM 2.0 tariff may benefit financially from receiving kWh credits for the supply portion of their monthly surplus generation instead.

While dual billing is typically avoided — as it is less convenient for most customers to receive a separate bill from their utility and supplier — customers with onsite generation systems tend to be highly informed on energy issues and respond positively to more active engagement with both their utility and supplier.

Consequently, dual billing may enhance customer satisfaction, awareness and ongoing participation in the program for customer-generators. Furthermore, dual billing could be done electronically, which is more convenient for the customer and less costly for the program than sending paper bills.

Furthermore, Rye Community Power may be able to create additional value for customer-generators through a combination of dual billing, assistance with metering upgrades and time-varying rate structures. For example:

- Many customer-generators with solar systems may benefit from local programs that help them reduce their full energy bill costs;
- Providing the customer with a separate supply-only bill would allow Rye Community Power to also offer a time-varying rate (which may not otherwise be available through Eversource's billing system);
- Upgrading to an interval meter (if the customer does not have one) and installing onsite battery storage, combined with a time-varying rate, may enable the customer-generator to further lower their overall bill by shifting their pattern of electricity usage at times of high-power prices and constrained generation and transmission capacity. This could also help to manage and lower the program's electricity supply costs in aggregate as well, and thus benefits all participating customers.

Similarly, Rye Community Power may be able to streamline the process and cost of installing REC production meters, registering customer-generators, and purchasing their RECs for the onsite power generated to satisfy part of the program's overall RPS compliance requirements. This would allow the program to source RECs locally and would provide an additional source of revenue for customer-generators in the Town.

Rye Community Power also intends to evaluate ways to enhance the value of the NEM credits that customers receive overall, from both the program and Eversource. For example, customer-generators may benefit by becoming hosts in Group Net Metering, including by establishing a

Low- Moderate Income Solar Project group. The program may be able to streamline the process required to do so, which entails:

- Matching customers interested in becoming members with prospective group hosts;
- Executing a Group Net Metering Agreement together;
- Registering the group with the Public Utilities Commission and Eversource; and
- Thereafter filing annual compliance reports.

Lastly, NEM tariffs are subject to revision and Rye Community Power, through the Coalition, intends to work with Eversource, participate in Public Utilities Commission proceedings, and engage at the Legislature on issues that impact how the tariffs evolve going forward.

Customers are increasingly adopting new energy technologies and expect to be offered rates and services that provide them with new choices and fair compensation based on their investment; the program's ability to assist customers in these ways is heavily dependent on how state policies and utility regulations evolve over time.

Rye Community Power will seek to represent the interests of our community and customers in these matters.

ATTACHMENT 7: RYE'S PUBLIC PLANNING PROCESS

The Rye Energy Committee began to research the benefits of forming a community power program in June 2020. Members of the committee attended webinars and participated in presentations at various virtual conferences. The Rye Energy Committee networked with other energy committees that were also learning about the potential benefits of forming a program.

The Rye Energy Committee determined that developing a community power program would be in the best interests of Rye citizens and businesses. Aggregating power purchases has the potential to lower energy costs. The Rye Energy Committee agreed that it would be beneficial to Rye to join the Community Power Coalition of New Hampshire (CPCNH) which was in its formative stages. Joining CPCNH was a no risk, no cost way to gain access to a statewide network of peers and experts to support community power program planning. Joining CPCNH offers opportunities to work with other New Hampshire communities to develop more local, renewable energy sources and gives communities options to use innovative technologies to decrease energy usage.

The Select Board agreed to join CPCNH pending review of the Joint Powers Agreement by town counsel. The Joint Powers agreement includes the Articles of Agreement and Bylaws of the non-profit organization. It establishes the general purpose, authorities, structure, Board of Directors, committees, cost-sharing principles, liability protections, and other aspects of the organization.

After legal review, the Select Board voted unanimously to sign the Joint Powers agreement on September 27, 2021 establishing Rye as a founding member of CPCNH. The Select Board designated the Rye Energy Committee as the electric aggregation committee. By law and under RSA 53-E:6, the Committee was responsible for:

- Developing and approving a Community Power Electric Aggregation Plan that is in the best, long-term interest of Rye ratepayers;
- Soliciting public input in the planning process; and,
- Holding public hearings for that purpose.

The Select Board also appointed Lisa Sweet as a Director and Howard Kalet as an Alternate to represent the Town of Rye on the board of CPCNH.

The Rye Energy Committee developed materials to introduce community power and explain the potential benefits of approving a program for Rye. The Rye Newsletter included informational articles and our webpage has videos, the draft of the Energy Aggregation Plan, Frequently Asked Questions, a slide presentation of the program and plan, and explainers on energy costs and net metering.

The initial draft of the Energy Aggregation Plan was submitted to the Select Board for review on November 8, 2021. In accordance with RSA 53-E, the Rye Energy Committee hosted two public hearings for community input. The first was on November 16 at 6:30 pm and the second was on December 9 at 7:00 pm. Both were held at the Rye Junior High School and were recorded. Recordings are on the town website video streaming page.

The revised plan was submitted to the Select Board on December 10, 2021. The Select Board will review and, pending approval, write a warrant article for the March 8, 2022 Town Meeting.

An informational meeting for the public is planned for January 20, 2022. The Rye Energy Committee will present the warrant article to the public again at the February 5, 2022 Deliberative Session. The vote will be held on March 8, 2022.

Commented [HPH1]: Consider updating this section to reflect progress to date. Consider adding reference to plans for public education in lead-up to launch.

ATTACHMENT 8: ACRONYMS

Acronym	Meaning
AC	Alternating Current (electric current that reverses direction many times a second at regular intervals; the N. American standard for power supply is 60 Hertz)
ACP	Alternative Compliance Payment (under the NH Renewable Portfolio Standard)
CEPS	Competitive Electric Power Suppliers
CHP	Combined Heat and Power
CPA	Community Power Aggregation
CPCNH	Community Power Coalition of New Hampshire
EAC	Electric Aggregation Committee
EAP	Electric Aggregation Plan
ISO-NE	Independent System Operator New England (the wholesale electricity market operator)
KW	Kilowatt (a measure of electrical capacity, equivalent to 1,000 watts of power)
kWh	Kilowatt-hour (a measure of electrical energy, equivalent to using or producing
MW	Megawatt (a measure of electrical capacity, equivalent to 1,000,000 watts of power)
MWh	Megawatt-hour (a measure of electrical energy, equivalent to using or producing 1,000,000 watts for 1 hour, and typically used in reference to power plants or large aggregations of customers)
NEM	Net Energy Metering (tariffs that provide compensation for customer-generators)
NEPOOL GIS	The New England Power Pool Generation Information System (which issues and tracks Renewable Energy Credits)
NHEC	New Hampshire Electric Co-Op (a member-owned electric distribution cooperative)
NHPUC	New Hampshire Public Utilities Commission (which regulates NH's investor-owned electric distribution utilities: Eversource, Unitil and Liberty Utilities)
PV	Solar Photovoltaics
REC	Renewable Energy Credit (under the NH Renewable Portfolio Standard)
RPS	New Hampshire's Renewable Portfolio Standard (authorized under RSA 362-F)
RSA	Revised Statutes Annotated (refers to the codified state law of New Hampshire)

ATTACHMENT 9: How Load Serving Entity Services will be Implemented

Rye Community Power will implement Load Serving Entity (LSE) services, for the purpose of procuring or selling electricity on behalf of customers participating in the aggregation.

This plan assumes, but does not require, that the Town will participate fully in and rely on the services provided through the Community Power Coalition of New Hampshire (CPCNH) for the purposes of implementing and operating Rye Community Power.

The Role & Responsibility of Load Serving Entities

A Load Serving Entity (LSE) is an entity that has registered with ISO New England (ISO-NE, the nonprofit regional wholesale electricity market operator) as a market participant and assumes responsibility for securing and selling electric energy and related services to serve the demand of retail customers at the distribution level (i.e., homes and businesses).

As context, every retail customer in New Hampshire (and across New England) is assigned to a specific Load Serving Entity at all times:

- Customers on utility default service are periodically re-assigned to whichever Competitive Supplier has won the utility's most recent auction or the utility as LSE. Refer to [Attachment 4](#) for an overview of utility default procurement solicitations.
- Similarly, customers are assigned to a different Load Serving Entity whenever they are transferred to CPA service on an opt-out default basis, choose to opt-in to take service from the CPA, or switch to a Competitive Supplier of their choosing.

Consequently, all Competitive Suppliers and Community Power Aggregators (CPAs) in New Hampshire are required to either:

1. Register as a Load Serving Entity with ISO-NE; or
2. Contract with a third-party that has agreed to be the Load Serving Entity responsible for the Competitive Supplier's or CPA's customers.

To ensure that customers receive firm power supply, there are a variety of services that need to be performed and electrical products that must be procured or otherwise provided. The required products and services are referred to as "all requirements energy" (or alternatively, "full requirements service").

The role of Load Serving Entities is to provide, arrange for, or otherwise pay for the cost of providing all requirements energy to customers. The majority of these requirements are defined by the ISO-NE wholesale market operator, which is subject to Federal oversight, but certain requirements are defined by the state in which the LSE registers to serve customers (Renewable Portfolio Standard requirements, for example).

In New Hampshire, full-requirements energy is defined as the provision or cost of (1) electrical energy, capacity, and reserves (including transmission and distribution losses); (2) ancillary services, congestion management, and transmission services (to the extent not already provided by the customer's utility); (3) the costs associated with complying with New Hampshire's Renewable Portfolio Standard (i.e., the cost of purchasing Renewable Energy Credits or, if an

insufficient number of credits is procured, the cost of Alternative Compliance Payments, as detailed in [Attachment 3](#)); and (4) other services or products necessary to provide firm power supply to customers (i.e., because the definition and requirements of the above products and services are subject to change over time).

Each of the above products and services is procured, provided, and accounted for in different ways, through market mechanisms and regulated processes that have been designed to accommodate the unique characteristics of the product or service in question.

Given the complex and capital-intensive nature of providing all requirements electricity to customers, Load Serving Entities are subject to significant state and Federal oversight, in terms of registration, reporting, and financial security requirements.

The web pages below provide current information regarding Load Serving Entity registration, financial security, and renewal requirements to operate in ISO-NE and New Hampshire:

- ISO-NE: [New Participant Registration Instructions](#)
- NH PUC: [Forms for Competitive Electric Power Suppliers and Electric Load Aggregators](#)
- Eversource: [Electric Information for Suppliers & Aggregators](#)
- Unitil: [Energy Supplier Resources](#)
- Liberty Utilities: [Become a Liberty Utilities Approved Supplier](#)
- New Hampshire Electric Cooperative: [Supplier Information](#)

Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)

The Town currently anticipates that it will contract with CPCNH, as an all-requirements joint powers agency, for the provision of LSE services, all requirements energy supply and all other energy services required to implement and operate Rye Community Power.

CPCNH Competitive Solicitation for Comprehensive Services and Credit Support

On behalf of the Town and CPCNH's eighteen other Member communities, each of which are in various stages of authorizing Community Power Aggregations, CPCNH issued a Request for Proposals (RFP) for Comprehensive Services and Credit Support on April 25, 2022 and is currently conducting a solicitation process *"to select a qualified entity or group of entities to provide comprehensive services and credit support to enable CPCNH to develop, finance, launch, and operate of Community Power Aggregation (CPA) programs."*¹ As context:

- For an overview of CPCNH's authorities as a Joint Powers Agency, the RFP, proposal evaluation and contracting process, and the process by which CPCNH's Board of Directors and participating Member communities, including the Town, plan to draft and adopt enabling agreements, contracts and policies (such as the Energy Risk Management and Financial Reserves policies) refer to "Responsibilities of the Community Power Coalition of New

¹ CPCNH's Request for Proposals for Comprehensive Services and Credit Support, and additional supporting reference documentation, including the draft Business Plan for CPCNH, are posted online here: <https://www.cpcnh.org/solicitations>.

Hampshire (CPCNH)” in [Attachment 10: Customer Data Protection Plan](#) below.

- CPCNH’s RFP is primarily based upon the solicitation and contracting strategy pioneered by the [Redwood Coast Energy Authority](#) (RCEA), a CPA Joint Powers Authority in California that is similar in size to CPCNH and which successfully contracted for comprehensive services and credit support (inclusive of LSE services) on an at-risk, deferred compensation basis.
 - RCEA subsequently launched CPA program service and began providing LSE services and all-requirements supply to CPA customers in 2017 and has operated continuously while accruing financial reserves and enabling numerous local programs and new project developments.
 - The three Professional Services Agreements that RCEA negotiated and executed subsequent to their RFP process provided (1) LSE and portfolio risk management services and credit support, (2) retail data management, billing, and customer care services, and (3) various support services (e.g., administration, marketing, etc.). All three contracts are available for review [online here](#).
- Subsequent CPA Joint Powers Agencies have employed similar solicitation and contracting strategies in order to successfully contract for and implement LSE and portfolio management services for participating CPA customers.
- CPCNH previously issued a Request for Information for Comprehensive Services and Credit Support in December 2021 and received numerous submissions from well-established third-party vendors that provide LSE services, portfolio management services and credit support in response. (CPCNH’s Board of Directors has designated the responses as confidential due to fact that the competitive solicitation is ongoing.)²

The scope of operational services requested under CPCNH’s RFP is to broadly “*provide all required services and credit support necessary to operate the agency and supply all-requirements electricity to CPA customers*”. The specific scope of operational functions requested in CPCNH’s RFP is provided below:

1. *Retail Data Management and Billing Services*
 - a. *Utility Electronic Data Interchange (EDI)*
 - b. *Customer Data Validation and Error Resolution Management*
 - c. *Billing Calculations*
 - d. *Utility Payment Receipt*
 - e. *Revenue Oversight and Tracking*
2. *Retail Customer Solutions*
 - a. *Customer and Program Analytics and Insights*
 - b. *Rate Design Development, Pricing and Product Structuring*
 - c. *Grid Edge Enablement and Portfolio Integrations*
 - d. *Key Account Relationship Management*
 - e. *Inbound and Outbound Call Center Operations*

² CPCNH’s Request for Information for Comprehensive Services and Credit Support is available online at: <https://www.cpcnh.org/solicitations>

- f. *Digital Engagement and Orchestration*
- 3. *Portfolio Risk Management Services*
 - a. *Energy Portfolio Planning and Development*
 - b. *Contract Valuation and Procurement*
 - c. *Deal Capture, Contract Management and Counterparty Monitoring*
 - d. *Trading, Position Management and Reporting*
 - e. *Forecasting, Scheduling and Settlements*
 - f. *ISO shadow settlements and dispute resolution*
 - g. *ISO monitoring, stakeholder processes, collateral posting and onboarding support*
- 4. *Banking and Financial Services*
 - a. *Credit Support*
 - b. *Secure Revenue Account Administration*
 - c. *Accounting Support and Controls*
 - d. *Financial Statement Setup and Review*
 - e. *Revenue Forecasting and Budgeting*
 - f. *Invoice Validation*
- 5. *Enterprise Data Management: to support the development of an in-house central repository of customer and other data for use by CPCNH staff and authorized third parties for the purpose of enabling research and development of new energy services.*
- 6. *Additional Services: respondents should provide additional descriptions of services not provided for above.*

CPCNH Proposal Evaluation Process and Contracting Timeline

As detailed in Attachment 10, CPCNH’s Risk Management Committee is responsible for evaluating, ranking, and scoring proposals and recommending an award to the Board of Directors.

To ensure that the committee fully evaluates proposals to provide LSE and portfolio management services, CPCNH has contracted with independent experts with domain expertise in:

- Managing and overseeing power supply portfolios and LSE services for an operational CPA Joint Power Agency;
- Evaluating proposals, interviewing proposers, and recommending an award for LSE and portfolio management services on behalf of a CPA Joint Power Agency that subsequently launched CPA program service, has operated continuously since 2018, and recently gained an industry-first “A” credit rating from S&P Global Ratings on the basis of its fiscal discipline and approach to energy portfolio risk management; and/or
- Working for an established publicly owned nonprofit enterprise that maintains three operational control centers to support 24/7/365 operations across multiple ISO/RTO markets in order to provide LSE and portfolio management services to substantial numbers of public and private sector clients that serve retail end-use customers.

CPCNH expects to conclude the RFP process, enter into contract negotiations in July-August, and execute contracts to provide comprehensive services and credit support (inclusive of LSE services) in August to September 2022.

Thereafter, CPCNH's Board of Directors expects to finalize and approve the agency's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies, which Rye's appointed Directors expect to provide to the Select Board for approval between October – December 2022.

At this point, the Town may contract for and authorize CPCNH to provide comprehensive services and credit support (inclusive of LSE services) to implement and operate Rye Community Power.

Responsibilities of the Town of Rye

The Town expects that CPCNH's solicitation and contracting strategy will be successful, and that CPCNH and the third-party contractors contracted by CPCNH will implement LSE services and all other services required to launch and operate Rye Community Power.

Depending on the result of CPCNH's solicitation and contract negotiation process, LSE services may be implemented as follows:

- CPCNH may contract directly for LSE services with a third-party that is registered or will register with ISO-NE as a market participant and Load Serving Entity, satisfies all applicable financial security and other registration requirements with ISO-NE, the Commission, and NH's distribution utilities, and has contractually agreed to assume responsibility for providing all requirements energy on behalf of Rye Community Power's customers.

Typically, such a third-party would additionally provide portfolio management services and credit support and assist CPCNH in structuring and maintaining a portfolio of physical and financial contracts to provide all requirements energy to participating customers. At a certain future point, CPCNH may be positioned to register with NEPOOL and ISO-NE as a market participant and Load Serving Entity directly.³

This implementation option would essentially replicate the same approach and structure employed by the New Hampshire Electric Cooperative, which actively manages an all-requirements energy portfolio, accrues financial reserves, and provides LSE services for default service customers.

Additionally, note that the Town of Hanover (whose Member director and alternate director are both participating on CPCNH's Risk Management Committee and proposal evaluation) is already a market participant and Load Serving Entity for the Town's load obligations.

- CPCNH may alternatively contract with one or more Competitive Electric Power Suppliers to provide LSE services and all requirements electricity to customers at a pre-specified rate for a set length of time. Under this arrangement, the Competitive Supplier would either be the designated Load Serving Entity or would contract with a third-party that has agreed to be the Load Serving Entity responsible for the CPA's customers.

This implementation option would essentially replicate the same approach and structure employed by NH's regulated distribution utilities (Eversource, Unitil and Liberty Utilities),

³ Refer to CPCNH's draft Business Plan for further details, available under RFP Reference Materials online at: <https://www.cpcnh.org/solicitations>

under which customers are periodically re-assigned to whichever Competitive Suppliers have won the utilities' default service solicitations. Refer to [Attachment 4](#) for an overview of utility default procurement solicitations.

- CPCNH may also propose a combination of the above approaches for the Town's consideration.

In the event that the Town does not contract with CPCNH to provide LSE and other services to Rye Community Power, then the Town may contract to implement LSE services independently, either with a third-party LSE acting as the Town's agent or with a Competitive Electric Power Supplier (CEPS) that contracts to provide LSE services for customers taking service from Rye Community Power.

The Town will ensure that contracts entered into provide for the implementation of LSE services and full requirement energy supply for customers participating in Rye Community Power.

Attachment 10: Customer Data Protection Plan

Rye Community Power will protect and maintain the confidentiality of Individual Customer Data in compliance with its obligations as a Service Provider under RSA Chapter 363 ([RSA 363:38](#) and [RSA 363:37](#) (“*privacy policies for individual customer data; duties and responsibilities of service providers and definitions*”) and other applicable statutes and Public Utilities Commission rules.

Individual Customer Data (ICD) includes information that is collected over the course of providing energy services to customers participating in Rye Community Power and that, singly or in combination, can be used to identify specific customers, including: individual customer names, service addresses, billing addresses, telephone numbers, account numbers, electricity consumption data, and payment, financial, banking, and credit information.

As described herein, the Town of Rye is responsible for ensuring that reasonable security procedures and practices are implemented and maintained to protect the confidentiality of Individual Customer Data from unauthorized access, destruction, modification, disclosure, or use.

This plan assumes, but does not require, that the Town will participate fully in the Community Power Coalition of New Hampshire (CPCNH) for the purposes of implementing and operating Rye Community Power.

Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)

CPCNH is a Joint Powers Agency authorized under RSA 53-A (“*Agreements Between Governments: Joint Exercise of Powers*”) and RSA 53-E:3 (“*Municipality and County Authorities*”). CPCNH’s [Joint Powers Agreement](#) expressly authorizes the agency to:⁴

- “[C]omply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs”;
- “Make and enter into contracts” and “[m]ake and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH’s affairs”; and
- “[D]o all acts permitted... as well as any act necessary, consistent with New Hampshire law to fulfill the purposes” set forth under the 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”.

CPCNH has begun the process of soliciting and hiring third-parties to provide comprehensive services and credit support to launch Member CPA programs, and is drafting various related enabling agreements, policies, and internal protocols necessary to do so.

CPCNH Request for Proposals for Comprehensive Services and Credit Support

CPCNH issued a Request for Proposals for Comprehensive Services and Credit Support on April 25, 2022, and is currently conducting a solicitation process “to select a qualified entity or group

⁴ From Section 2.3, Powers, of the By-Laws of CPCNH, found at pages 21-22 of the JPA, available here: https://www.cpcnh.org/files/ugd/202f2e_601bfada901c4a89a1c2812a0638090a.pdf, and more specifically §2.3.11, §2.3.6, §2.3.9, and §2.3 introductory paragraph. Similar language is also in the Articles of Agreement.

of entities to provide comprehensive services and credit support to enable CPCNH to develop, finance, launch, and operate of Community Power Aggregation (CPA) programs”⁵ on behalf of CPCNH’s nineteen Member communities, each of which are in various stages of authorizing Community Power Aggregations.

For additional information regarding the use of customer data, and expected operational needs of CPCNH, refer to (1) the RFP at pp. 20-23⁶ and to (2) the RFP Addendum #2 (issued May 24, 2022), at pp. 11 in response to Questions 15.⁷ The latter is excerpted below, and provides a concise summary of CPCNH’s requirements to ensure the confidentiality of ICD:

Regarding Customer Privacy Compliance:

RSA 53-E:4, VI, requires CPAs to maintain the confidentiality of individual customer information in compliance with their obligations as service providers under RSA 363:37 (Definitions) and RSA 363:38 (“Privacy Policies for Individual Customer Data; Duties and Responsibilities of Service Providers”). RSA 53-E:7, X also requires the Public Utilities Commission to adopt Administrative Rules for CPAs governing “access to customer data” and other matters.

The selected Proposer will be expected to demonstrate physical and cybersecurity readiness sufficient to ensure customer data is held in strict confidence — e.g., through audits in accordance with the American Institute of Certified Public Accountants Statements on Standards for Attestation Engagements No. 16 (SSAE 16) Service Organizational Controls (SOC) Reports, periodic network vulnerability assessments, etc. — and will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b) and applicable Public Utilities Commission rules.

As previously noted, Administrative Rules for CPAs are under development. Refer to the PUC’s Initial Proposal for CPA Administrative Rules (Chapter Puc 2200), specifically the definitions in Puc 2202.07 (“Confidential customer information”) and Puc 2202.02 (“Anonymized”), and Puc 2205.02 (“Application of Puc 2000 to CEPS When Providing Electricity Supply to CPA Customers”).

The selected Proposer, as applicable, should expect to comply with relevant portions of the PUC’s current Administrative Rules for Competitive Electric Power Suppliers and Aggregators (Chapter Puc 2000). Refer to Chapter Puc 2000, Puc 2002.09 (definition of “Confidential Customer Information”) and Puc 2004.19 (“Protection of Confidential Customer Information”), which is proposed to apply to CEPS providing electricity supply service to CPA customers pursuant to Puc 2205.02 under the PUC’s Initial Proposal for CPA Administrative Rules.

The Request for Proposals and evaluation process is being overseen by CPCNH’s Risk Management Committee, composed of CPCNH Member municipality representatives, with additional support from (1) independent experts with experience operating Community Power Aggregation Joint Powers Agencies, and (2) CPCNH’s General Counsel, DWGP, P.C., a nationally

⁵ CPCNH’s Request for Proposals for Comprehensive Services and Credit Support, and additional supporting reference documentation, including the draft Business Plan for CPCNH, are posted online here: <https://www.cpcnh.org/solicitations>.

⁶ https://www.cpcnh.org/files/ugd/202f2e_e781638c123d4cf3977358f845081313.pdf

⁷ Pages 11-12 at https://www.cpcnh.org/files/ugd/202f2e_8ceed8824453482c902a8a0fa1ab826c.pdf.

recognized law firm with substantial expertise in the Community Power and broader public power industry.

CPCNH's Risk Management Committee will evaluate, rank, and select vendors with a proven track record of successful qualification for EDI transactions, protection of confidential customer information, including what is characterized as ICD under RSA 363, and other relevant factors.

- Refer to CPCNH's RFP at p.2 for a summary of the substantial domain expertise participating on the Risk Management Committee and proposal evaluation process.
- For example, the committee includes a Member Director who previously worked for Eversource for 26 years, where he was responsible for deploying and/or operating Eversource's Customer Information System and day to day interface with competitive electric suppliers and was most recently the Director of Eversource's Customer Center Operations.

CPCNH expects to conclude the solicitation process and execute contracts in August to September 2022.

CPCNH Enterprise Risk Management & Customer Data Policies

After CPCNH has executed service contracts, CPCNH's Board of Directors will finalize and approve the agency's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies. CPCNH's Energy Risk Management and Financial Reserves policies will be subsets of CPCNH's Enterprise Risk Management Policy, which will additionally cover relevant elements of cybersecurity and data confidentiality requirements and other topics.

- CPCNH's Joint Powers Agreement requires CPCNH's Risk Management Committee to draft and recommend the Enterprise Risk Management Policy for consideration and adoption of CPCNH's Board of Directors on or before October 1, 2022.⁸
- Between October and December 2022, Rye's appointed Directors are expected to provide CPCNH's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies to the Select Board for approval between October – December 2022.
- At this point, the Town will contract for and authorize CPCNH to provide specific services on behalf of Rye Community Power.

CPCNH's Board of Directors has been recently presented with a plan to develop additional specific policies and CPCNH's Treasurer has prepared a budget to allocate sufficient funding to support the drafting and review process over the summer and fall. Two relevant such policies are listed below:

- **Record Retention & Disposal Policy:** to provide a process that ensures compliance with the proper retention, protection, and timely destruction of all records created or obtained by, or otherwise in the possession and control of, CPCNH, consistent with all legal requirements.

⁸ CPCNH's Risk Management Committee is also responsible for (1) reviewing major risk exposures and monitoring the steps taken to control risk exposures and (2) commissioning an independent agent to conduct and deliver an evaluation of the operational performance of the agency relative to the Enterprise Risk Management Policy every two years (starting three years after the commencement of CPA service, and as otherwise requested by the Board).

- Data Security and Privacy Policy: to define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of confidential information.

CPCNH Requirements to Access and Use of Individual Customer Data

In CPCNH’s capacity as a service provider to the Town, the agency and third parties contracted through CPCNH to provide services to Rye Community Power will need to access and use ICD for operational needs and for the research, development, and implementation of new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs on behalf of Rye Community Power.

Third parties under contract to CPCNH that may require access to ICD on behalf of Rye Community Power may include CEPS (Competitive Electric Power Suppliers) functioning as Load Serving Entities (LSEs) for the supply of all requirements energy, or other third-party vendors providing Load Serving Entity (LSE) services on behalf of CPCNH, 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 to support the research and development of potential new energy services to offer to customers participating in Rye Community Power.

Specific types of ICD that Rye Community Power, CPCNH, and third parties under contract are expected to receive and possess include:

- Name, address, account number, and other information about electric customers within the Town for purposes of sending required notification of Rye Community Power Commencement of Service and enrollment of customer in Rye Community Power, consistent with initially proposed Puc 2204.04, .05, and .06, as they, or equivalent rule provisions, may be adopted by the PUC and the requirements of RSA 53-E:7, III, V, and VI.
- Individual customer information used for operation of Rye Community Power, such as that in initially proposed Puc 2205.13, most of which may be accessed through the EDU EDI. The need and use for such information, and a proposed modification of this particular rule, are addressed in CPCNH’s 3/14/22 Comments on the PUC’s initial rule proposal for CPAs, in docket # DE 21-142⁹, and in its 3/28/22 Reply Comments.¹⁰
- Other confidential customer information that may be received or collected directly by Rye Community Power or CPCNH, or through 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, will likewise only be used for statutorily authorized purposes as ICD.

⁹ See p. 2 ¶4 and p. 4 ¶16 at: https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142_2022-03-14_CPCNH_COMMENTS.PDF.

¹⁰ See p.4-11, and Comments on proposed Puc 2203.02(b)(1) on p. 13, Puc 2204.02(a)(1)-(4) on pp. 16-17, and Puc 2205.13 p. 23 https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142_2022-03-28_CPCNH_OCA_CENH-COMMENTS.PDF.

Ongoing collection and use of individual customer data of the types described in proposed Puc 2205.13 will be used for both:

1. **General operational needs** for retail power supply and related energy services operational needs, such as load and supply forecasting, portfolio management, billing 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 LMI participants that are qualified in the Electric Assistance Program (EAP).

In compliance with [RSA 363:38](#) and [RSA 363.37](#), CPCNH and third parties contracted through CPCNH that require access to ICD to provide services to Rye Community Power will be contractually required to:

- Implement and maintain reasonable security procedures and practices appropriate to the nature of the ICD.
- Protect ICD from unauthorized access, use, destruction, modification, or disclosure.
- Use ICD solely for primary purposes, such as: complying with the provisions of RSA 53-E:7, II; providing or billing for electrical service; meeting system, grid, or operational needs; researching, developing, and implementing new 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.
- Collect, store, use, and disclose only as much ICD as is necessary to accomplish the aforementioned primary purposes.
- Not use ICD for a secondary commercial purpose unrelated to the aforementioned primary purposes of the contract without the express consent of the customer.
- 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, or other financial purposes).

Additionally, if CPCNH contracts with one or more Competitive Suppliers to provide Load Serving Entity services to participating customers, or brokers to support operations in a capacity that would require access to ICD, then the Competitive Suppliers and/or brokers would additionally be required to comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), which are excerpted below in the section "Statutory and Rule Requirements" for reference.

Responsibilities of the Town of Rye

The Town currently anticipates that it will contract for all requirements electricity supply and related energy services through CPCNH, as a joint powers agency, and that the primary acquisition and use of ICD will be through CPCNH and the vendors placed under contract to provide comprehensive services for the operation of Rye Community Power.

The Town Administrator shall review and confirm that CPCNH has adequate policies, procedures and measures in place to protect confidential information and that contractual requirements consistent with the Town's obligations to protect ICD as required under [RSA 363.37](#), [RSA 363:38](#) and [RSA 53-E:4](#), VI, and consistent with PUC rules, including Puc 2004.19 and its non-disclosure restrictions, are incorporated into any contracts with CPCNH, or any other third parties that are authorized to access ICD on behalf of the Town before executing any such contracts.

The Town expects contracts and policies to provide for:

- Third-party security assessment requirements regarding: Information Security Management; Personnel Security; Systems Development and Maintenance; Application Security; System Security; Network Security; Data Security and Integrity; Access Control; and Vulnerability Management.
- Third-party security requirements including: (1) User Account and Access Controls to ensure that only authorized individuals have access to ICD for legitimate primary purposes under RSA 368:38, which may include the need for non-disclosure agreements; (2) Handling of Sensitive Data Protocols to protect confidential customer information from unauthorized access, use, destruction, modification, or disclosure; (3) Breach Reporting, including obligations to report a security breach as defined in [RSA 359-C:19](#), V and required by [RSA 359-C:20](#) and any other applicable laws, rules, or utility requirements for data breach reporting; (4) Plan for deletion and destruction ICD when it is no longer necessary to accomplish primary purposes pursuant to RSA 368:38; and (5) Prohibitions on use of ICD for a secondary commercial purpose not related to the primary purpose of vendor's contract without the express consent of the customer.
- Third-party documentation and reporting requirements regarding, as applicable: Audit Reports (e.g. SSAE 16/SOC Report); Documentation describing Control practices used to review sub-vendors; Maintenance of an Information Security Program; Training Program for Employees on Cyber Awareness; Background checks performed for all employees with access to ICD; Immediate Data Breach reporting to appropriate parties; and any material changes in Data Security practices since prior review and approval.

Lastly, in the event that the Town does not contract with CPCNH to provide energy services to Rye Community Power, then the Town will develop and adopt policies and contracts that ensure compliance with the Town's obligations as a Service Provider to protect and maintain the confidentiality of ICD under [RSA 363:38](#), [RSA 363.37](#) and other applicable statutes and Public Utilities Commission rules prior to directly collecting, storing, using, or disclosing any ICD or contracting with other Competitive Suppliers, brokers and/or other third-party vendors that require access to ICD.

Additional References: Statutory and Regulatory Requirements

The sections below are provided for additional reference, and summarize the different requirements that apply to (1) Community Power Aggregators and Service Providers, (2) brokers and Competitive Electric Power Suppliers (CEPS) that provide Load Serving Entity services under contract to Community Power Aggregators, and (3) access to ICT through the Multi-Use Energy Data Platform authorized under RSA 378:50-54 (if and when it becomes operational).

Statutory Requirements for Community Power Aggregators & Service Providers

Statutory requirements regarding the use of Individual Customer Data for Community Power Aggregators are summarized below:

- **RSA 363:37**, I defines Individual Customer Data (ICD) as *“information that is collected as part of providing electric, natural gas, water, or related services to a customer that can identify, singly or in combination, that specific customer, including the name, address, account number, quantity, characteristics, or time of consumption by the customer.”*
- **RSA 363:38**, IV requires Service Providers to *“use reasonable security procedures and practices to protect individual customer data [ICD] from unauthorized access, use, destruction, modification, or disclosure.”*
- **RSA 53-E:4**, VI provides that Community Power Aggregations (CPAs) *“shall be subject to RSA 363:38 as service providers and individual customer data shall be treated as confidential private information and shall not be subject to public disclosure under RSA 91-A”*.
 - The definition of Service Provider under **RSA 363:37**, II includes *“an aggregator, as defined by RSA 53-E:2, II...and any other service provider that receives individual customer data [ICD]...”*
 - **RSA 53-E:2**, II defines an *“aggregator”* in this context as *“any municipality or county that engages in aggregation of electric customers within its boundaries”*.
 - **RSA 53-E:2**, VI further defines *“municipality”* in this context as *“any Town, town, unincorporated place, or village district within the state.”*
- **RSA 363:38**, II requires Service Providers to: *“(a) Collect, store, use, and disclose only as much individual customer data [ICD] as is necessary to accomplish primary purposes, and (b) Use individual customer data solely for primary purposes.”*
- **RSA 363:37**, III defines “[p]rimary purpose” as *“the main reason for the collection, storage, use, or disclosure of individual customer data [ICD] which is limited to: (a) Providing or billing for electrical or gas service. (b) Meeting system, grid, or operational needs. (c) Researching, developing, and implementing new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs.”*
- **RSA 53-E:4**, VI further authorizes approved Community Power Aggregations to *“use individual customer data to comply with the provisions of RSA 53-E:7, II and for research and development of potential new energy services to offer to customer participants.”*

- RSA 363:38, V(b) further makes clear that a Service Provider may disclose ICD “to a third party for system, grid, or operational needs, or the research, development, and implementation of new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs” — provided that the Service Provider “has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, use, destruction, modification, or disclosure, and to prohibit the use of the data for a secondary commercial purpose not related to the primary purpose of the contract without the express consent of the customer.”
- RSA 363:38, V(c) provides that “[n]othing in this section shall preclude a service provider from disclosing electric, natural gas, or water consumption data required under state or federal law, or which is identified as information subject to warrant or subpoena or by an order of the commission.”
- RSA 363:38, V(a) makes clear that ICD may be aggregated and used for “analysis, reporting, or program management after information that identifies an individual customer has been removed.”

Additional Requirements Specific to Brokers & Competitive Suppliers

Pursuant to Puc 2205.02 under the PUC's Initial Proposal for CPA Administrative Rules, brokers and Competitive Suppliers that are hired by municipalities to manage and operate Community Power Aggregations and provide Load Serving Entity services to participating customers must comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), which is excerpted below for reference along with Puc 2002.09 (*Confidential Customer Information*).

Note that the use of the term “aggregator” throughout Puc 2004.19 below refers to brokers and does not refer to or otherwise apply to Community Power Aggregators.

As context, these requirements are part of the Commission’s Chapter Puc 2000 rules (“*Competitive Electric Power Supplier and Aggregator Rules*”), which apply to Competitive Suppliers and brokers— referred to as “CEPS” and “aggregators” below, respectively — and are expressly not applicable to “*municipalities or counties providing electricity or aggregating within the boundaries of participating municipalities under RSA 53-E*” (Community Power Aggregators) per Puc 2001.02 (*application of rules*).

Puc 2002.09 “Confidential customer information” means information that is collected as part of providing electric services to a customer that can identify, singly or in combination, that specific customer, and includes the customer name, address, and account number and the quantity, characteristics, or time of consumption by the customer, and also includes specific customer payment, financial, banking, and credit information.

...

Puc 2004.19 Protection of Confidential Customer Information.

(a) No CEPS or aggregator shall, except as permitted under (c) below or as otherwise required by law, release confidential customer information without express written authorization from the customer.

(b) A CEPS or aggregator shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect confidential customer information from unauthorized access, use, destruction, modification, or disclosure, and to prohibit the use of the confidential customer information for a secondary commercial purpose not related to the primary purpose of the service provided to the customer, without the express written consent of the customer.

(c) A CEPS or aggregator may disclose to a third party subject to non-disclosure restrictions confidential customer information as necessary for any one or more of the following purposes:

- (1) Billing for electric service;*
- (2) Meeting electric system, electric grid, or other operational needs;*
- (3) Implementing any one or more of the following programs:
 - a. Demand response;*
 - b. Customer assistance;*
 - c. Energy management; and*
 - d. Energy efficiency.**

(d) For purposes of this section, the term "non-disclosure restrictions" means that the CEPS or aggregator has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the confidential customer information from unauthorized access, use, destruction, modification, or disclosure, and to prohibit the use of the confidential customer information for a secondary commercial purpose not related to the primary purpose of the contract without the express consent of the customer.

(e) A customer granting authorization to release confidential customer information for purposes described in the terms and conditions of service shall satisfy the requirement in (a) above.

(f) A CEPS or aggregator granted agency authority shall be deemed authorized to obtain customer usage information when it has received customer authorization as described in Puc 2004.08 or Puc 2004.09.

(g) In the event of a dispute about the release of confidential customer information, including whether the information is or should be confidential, a CEPS, aggregator, or customer may file a complaint with the commission for resolution.

Additional Requirements for the Multi-Use Energy Data Platform

If and when the Multi-Use Energy Data Platform (Platform) authorized under RSA 378:50-54 becomes operational, Rye Community Power and any third-parties under contract that require access to ICD sourced from the Platform — such as CPCNH and third-parties contracted through CPCNH — will be required to comply with any Platform User Requirements, Privacy Standards, Annual Attestations, and obligations to report a security breach pursuant to terms of Settlement Agreement conditionally approved by the PUC in DE 19-197 and detailed in Exhibit C of the Agreement found in Exhibit 1B and as may be actually implemented.