

HUDSON, NH BOARD OF SELECTMEN

Minutes of the October 4, 2022 Workshop Meeting

1. CALL TO ORDER - by Chairperson Roy the Workshop Meeting of October 4, 2022 at 6:59 p.m. in the Selectmen Meeting Room at Town Hall
2. PLEDGE OF ALLEGIANCE led by Selectman Gagnon
3. ATTENDANCE

Board of Selectmen: Brett Gagnon, Bob Guessferd, Marilyn McGrath, Dave Morin, Kara Roy

Staff/Others: Craig Putnam & Kate Messner of the Hudson Electric Aggregation Committee, Henry Herndon of Community Power Coalition of New Hampshire, Jill Laffin - Executive Assistant

Excused Absence: Steve Malizia, Town Administrator

4. NEW BUSINESS

- A. Hudson Community Power Aggregation Plan

Chairperson Roy recognized Mr. Putnam and Ms. Messner from the Hudson Electric Aggregation Committee and Mr. Putnam then introduced Henry Herndon of Community Power Coalition of New Hampshire. Mr. Putnam then addressed the Board saying, good evening and thanks to the Select Board for hosting the meeting tonight. Very much appreciate it. Looking forward to a little discussion. So tonight, we're going to talk about the Hudson Community Power, about Hudson Community Power and the electric aggregation plan that has been proposed to the Select Board by the Hudson Electric Aggregation Committee. The presentation tonight will be a brief overview of what Hudson Community Power is, what it means for us as residents, and why it's a good thing for the community. Following the overview, there will be time for a chat about some frequently asked questions and our technical expert Henry Herndon here will be able to answer more detailed questions that may arise.

So briefly the agenda for the presentation. So we'll begin with an overview of what is community power. Then move into some more details of the electric aggregation plan itself. Henry will do most of Section Three, which is a discussion and introduction of Community Power Coalition of New Hampshire. Then we'll finish up the main part of it with a brief timeline for moving forward with Hudson Community Power, and then we'll open it up for questions and discussions at the end.

Mr. Putnam then said so let's get started by talking about what is community power. Community power programs are designed to pool or aggregate the demand of customers in a community and then use that large buying power of the aggregated customers to purchase electric power on behalf of that community with the goal of lowering costs and expanding access to renewable energy and other innovations. This is all enabled by recent legislation passed about a year ago by the New Hampshire Legislature, RSA 53 E in particular. But there was earlier legislation dating back quite some time which provided the baseline for this kind of thing, the deregulation that happened quite some time ago, and the legislature's intent in acting, R.S. 53, was, as I indicated here, quote, to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities. So community power allows governments such as Hudson to purchase electric energy supply on behalf of its residents, businesses and municipal accounts. You can think of it as a buying club for electricity, buying in bulk, and saving money. Community power allows the government to have access to competitive markets, participate in a lower cost and have more price stability. It also gives the option for purchasing more local or renewable energy. For example, our utility company servicing Hudson, which is Eversource only, is only required to

purchase at the moment 21.6% green or renewable energy. That number varies over time. But at the moment it's 21.6%. We hope to do better.

Eversource will continue to deliver and maintain the power grid, and it's still responsible to provide reliable electric service. That's part of the structure of the statutes that enabled all of this. And so one of the things that people are often concerned with is, so what? What if the power goes out? Who do I call? It's still Eversource. Their role does not change substantially in this at all. So the benefit of the community power method is that the Town can procure or purchase electricity at affordable rates, which can make it cheaper for residents and increase energy savings for the Town. It can open us up to other options as well, things like access to more green power options, the options to source more power locally, and then things like time of use rates and support for solar and storage. Some of the more leading edge types of technologies that we'd like to be able to use but cannot at the moment.

Mr. Putnam went on to say, so there's four key benefits of community power that we'd like to highlight. The first is local control. If you remember the phrase that I was reading before, the local, local, local kept coming up in that and it's really about local control because that means that we can procure the electricity for our own use versus the current practice, which is Eversource procuring it for us. The second key benefit is lower cost. We've seen in other states that have done similar kinds of community power programs Massachusetts, New York, California, to name a couple. Those groups have been able to purchase power at lower rates than their incumbent utilities, and that's the goal here as well. Another key factor is renewables. Community power allows for variation of energy sources, and so community power members will have access to additional options around green power procurement for themselves that we don't have available to us today. And community power is resilient and innovative. As indicated earlier, it allows for a range of more opportunities when it comes to energy, including new technologies, market competition and price signals.

So I want to reinforce the note at the bottom of the slide that Hudson Community Power will only launch if it's able to initially offer residential default rates that are lower than or competitive with those offered by Eversource. So we're not going to go live with this thing unless we can at least meet, if not beat Eversource's default price. So let's take a look at the typical electric bill that we get from Eversource. Hudson Community Power will only affect the supply part of the bill. The left hand number there. Eversource will continue to be responsible, as they indicated before, for the delivery portion. So they will maintain the poles and the wires and all the existing infrastructure that they maintain now, they will continue to do that. That doesn't change. The only thing that changes is so there's no change from in that standpoint from what they do today. The systems benefit charge, in particular, the part that goes to New Hampshire Saves is collected in the delivery side of the bill. The other right hand column and you'll still as a Hudson Community Power customer, you would still have access to all of those rebates. And the programs that are offered by New Hampshire Saves. And so the the difference is, is that the supplier would be Hudson Community Power instead of Eversource or perhaps a competitive electric supplier.

Mr. Putnam continued saying, so when you hear the term default service, this refers to the current basic service that Eversource provides, and that's the section of the bill that's highlighted here. Lots of people never really look carefully at this part of the bill, but this is the part that would change with the advent of Hudson Community Power. It will become the new default energy supplier for retail customers in Hudson. So there'd be homeowners and small businesses primarily. And the default is always optional. I want to stress that customers can switch back to Eversource or switch to a competitive supplier any time they want. Well, anytime on a billing boundary, basically a monthly boundary. And they can make that change with no fees, no penalties. And customers can, if they wish, go back and forth. It's not a one-time only type of thing. So community power allows a municipality to aggregate, aggregate all the residents and the businesses to purchase the power supply on their behalf. And it creates an economy of scale so that residents and businesses get more for the money than they are currently spending on their electricity.

So just to summarize some key points here, and the first is, is that as highlighted there, Eversource continues to deliver the electricity, so there's no change in that. They still maintain the wires and the poles and all of their existing infrastructure, and they will also provide customer service and billing. The Select Board with advisory support from our committee will be authorized to contract for the necessary professional services and acquire power to launch Hudson Community Power.

Participation in community power is entirely and completely voluntary. So once Hudson Community Power has stood up rates, we'd figure out what kind of rates that we can get and those rates would be published and those customers that are on default supply, in other words, those customers in Hudson that are still using Eversource to receive electricity; using the default electricity plan under Eversource stayed it that way. They will be notified and automatically enrolled in the program. And at that point they have an option to opt out. They can say, no, I want to play. Thank you. I want to stay with Eversource or I want to go to a competitive electric supplier. And customers who are already on a competitive electric supplier may choose to opt in to the program. And they probably do that when their current contract with the competitive electric supplier ends.

So let me talk a little bit about the plan itself. This needs to be voted on at the Town Meeting in the spring. I'll get to a warrant article at the end with some template proposed wording for a warrant article. But the plan itself that's been developed is fairly detailed. It's nearly 70 pages in length. You've had access to it for a while now. It's a good cure for insomnia if you've tried to read the whole thing. But really, the first 20 to 30 pages are the part that one really needs to absorb. The first 20 pages, it gives you most everything. The next ten gets you kind of into the details a little bit more. And after that, it's all the appendices, some of which are required to be there by the PUC, things on net metering and data protection and those kinds of things. So the bulk of the information that anyone would need to know is in the first 20 to 30 pages and other kinds of things are in the appendices, as they should be. So the plan basically lays out how community power has been developed, how it will be implemented, and all the other details that are required by RSA 53-E and the Public Utilities Commission.

So the Select Board has designated the Hudson Electric Aggregation Committee, which is a subcommittee of the Sustainability committee, as the Electric Aggregation Committee pursuant to the statute, RSA 53-E. And so the Hudson Electric Aggregation Committee was tasked by the Select Board a while ago to develop the plan. And we have a draft of the plan that is the topic of the conversation tonight. And there's the URL for the plan. It is there is now an HEAC website which is tucked under the Sustainability website on the town, on the town website, and so you can get to the plan through that link. Part of one of the statutory requirements of the defined for the process is that there has to be to at least two public hearings on the plan. Those are scheduled. The first one is coming up in November, November 15th. And we've also got a date in January the 17th. You have you have an error. In our package you have October 15th. Selectman Guessferd said yeah I was wondering. Mr. Putnam replied, yeah, it was an earlier version of the slides and apologies. I caught that after it had originally been submitted. So yeah, it was it is November 15th for that first public hearing. And sorry, January 17th is has been booked and we have the 19th as a snow day in case. And so the purpose of the public hearings is to have a similar conversation with the members of the community and seek their input on the plan as well.

So one of the many steps that the town that having a program like Hudson County Power and having it come to pass is to have the plan. Another more technical word for community power's electric aggregation, and that's why we formally call the Community Power Plan the Electric Aggregation Plan or EAP. And the purpose of the plan is to outline the goals and objectives of community power. It defines how it will be governed. Hudson Community power would be governed, and the rules and processes that processes for it to function successfully. And it provides some guidance on implementing the Hudson Community power and ensures the Town complies with the statutes and regulations that you see in particular in items A and B there on the left. The plan does address net metering, and it also addresses the electric assistance program, which provides financial support for low income ratepayers. So all of those are things that are required to be addressed in the plan. It's important to note that the electric aggregation plan does not commit the Town to any specific actions or financial commitment. So we're this next step is to basically get Hudson Community Power authorized to exist, which would happen by having the warrant article passed in the spring. Then there's a lot more work to be done to actually stand it up. And we'll talk about that additional work here in a minute.

So just to kind of look at the plan itself, an overview of the bulk of the of the interesting part of the document, the more interesting part of the document are the chapters on the left. And chapters one through four. It's about 20 pages total. Chapter five, which is the statutory requirements for the plan is about another ten pages. Then we're into the appendices and so on. And several of those are

appendices that are required by the Public Utilities Commission to address various and sundry issues like net metering and so on. And the appendices are the other 40 pages of the document. So it's kind of where it gets into the weeds a bit. But the bulk of the interesting part is in the first 20 to 30 pages.

So Hudson Community Power will become the default electricity supplier for retail customers in Hudson if the warrant article passes in the spring. And then if and when the Select Board decides to move forward with the program all customers would receive a mailed notification of the rates once they've been determined and dates for the program going live. Customers on Eversource default would be automatically opted in and have the option of opting out. So before anything happens, they can say no, thank you, I want to stay with Eversource and then nothing changes for them. Selectman McGrath asked, does that include customers that have already signed on with someone else as the supplier? Mr. Putnam replied, if you've, if you've signed on with a competitive electric supplier, you're not. Nothing changes for it. You'll be notified. I believe I'm correct in saying you'll be notified about the new rates for Hudson Community Power and so on. But you're not touched. Nothing changes for you because you're under contract somewhere else. If you when that contract ends, if you wanted to switch to Hudson Community Power, you could at that point. Selectman McGrath then said can I ask one more question on that page before we move on? Item number four- be self-funded by rates paid. The town will not use taxes to cover program expenses. What type of taxes are you talking about? Are you talking about property taxes? Because that's where we get...Mr. Putnam replied, there's no by statute...community power programs are not allowed to affect the tax rate in the town. I guess that's the right way of putting it I think. Mr. Herndon replied you're not allowed to use general funds. Selectman McGrath said property taxes that pays puts the provides funding for our budgets are departments. Mr. Putnam then said, correct. Mr. Herndon then said you're not allowed to use that funding for community power. Instead through the sale of electricity, some of that revenue funds the program. Selectman McGrath replied, I just think that that needs to be clearer. Mr. Herndon replied, that's a good point. All right. Mr. Putnam responded, okay, thanks. And that's by statute. That's part of RSA 53.

Mr. Putnam continued on with his saying, customers may also opt up. So there would be a default offering for Hudson Community Power and then there may be some optional. Alternate offerings which customers may opt into. So, for example, there could be a 50% or 100% renewable option. Key point again is that it's entirely voluntary. If a customer does not want to be part of Hudson Community Power, they don't have to be. No one's forcing anyone to do anything. You can switch back to Eversource if you try Hudson Community Power and you don't like it and switch back to Eversource, that's fine. No penalty. If you decide to, not if you decide to opt out in the beginning, and then you're talking to your neighbor and you're hearing about the great rate that they're getting from Hudson Community Power and you want in, you can do that later on. No penalty. All right. So it's by statute, it's designed to be very flexible in that penalize anyone. And again, key point there. And we can make it make it clearer, try to come up with some better wording for item four there that that the town will not use taxpayer dollars to pay for the program. The program is self-supporting it. What pays for the program comes from the rate that people are paying. So baked in. Chairperson Roy asked, so is that similar to the sewer fund or the or the water fund? It's just self-funded. The users pay for it. Mr. Putnam replied, yeah, I guess in that sense it would be. Yeah, I'm not I'm not familiar with the details with the the mechanism for the sewer or the water but, but yeah, the users pay for it whoever is on the plan and we'll get to a slide that I think may help clarify that a little bit. Selectman Guessferd then said I don't think it will show up like sewer and water. Do you know. Part of our kind of budget, right. Chairperson Roy said right, there's no specific budget for it, but. Mr. Putnam continued saying so the electric aggregation plan authorizes the Select Board to contract for necessary services to run this program. But again, it does not require any particular course of action there.

At some point, if this is approved and it stood up. Hudson Community Power needs to partner with somebody to do the buying of power, for example. To vet those contracts and have them set up. We would typically we partner with somebody. It's not something I'm qualified to do, that's for sure. And so the Town would have to decide who do we want to partner with to do that for Hudson Community Power. We've already talked with CPCNH in the past and which is nonprofit and then two for profit companies that are interested in doing this. There may be more. Now, we did those conversations over a year ago and so they need to be refreshed so that but that's all after it's been approved by the

voters and we've stood up the process and actually engaged in the process of, I should say, engaged in the process of standing up Hudson Community Power after the vote in the spring. I'm assuming the vote will be positive. So at least 30 days before program launch, each retail customer will receive a notification of the rates and so on that that's baked into the legislation again, the statutes. And so it shows the fixed rate service compared to Eversource. And at that point the customer can decide to opt out and stick with Eversource. And to your question earlier, Ms. McGrath, if you're on competitive electric, you'd be notified of what's going on, but nothing is going to happen automatically. You're not going to be opted into anything. So all Hudson Community Power default service customers will always be able to know the fixed rate at least 30 days in advance and be able to switch supplier at the next meter read upon request with no penalty, no exit fee. So I say you can get out at any time, but it's basically on that monthly meter reading boundary.

Selectman McGrath then asked, does it stay the same, the rate for a period of time, or does it is it like a bouncing ball and it changes every month or every other month? Mr. Putnam replied hopefully it's not a ball that's bouncing, too high. Selectman McGrath replied, no but, you know, that's important to know that people that might want to opt in thinking that the price is going to be, say, \$10 a month and then the next month they get the bill and it's actually bounced up to \$20 a month. Mr. Putnam replied like just happened with Eversource. Selectman McGrath responded, well, I mean well, I'm not dealing with Eversource. My my rate is staying the same, you know, for the period that I signed up for. I'm just you know, those are important things for people to know, and especially given the state of the country and the funding, you know the... everything is going up, all the prices are going up. So if this is going to be if it's going to change, they need to know that if they if it's going to be changing, like on a monthly basis, every other month basis, every six months, once a year. I mean, those are those are important things for people to know before they sign up for this address. Mr. Herndon replied there's a requirement that if the rates are to change, there's 30 days advanced posting of that change and public hearings, I believe, are also required. But so, yeah, there's a 30 day requirement there. And part of the thinking behind community power is to allow communities and through some of these avenues to have more oversight over that to ensure there's not teaser rates. So somebody comes in with a low rate and then it jumps up the next month because you're an individual residential customer and you didn't read the fine print necessarily. But yeah, it is a good point and it's important to have that transparency.

Selectman Gagnon then said I guess, on that point, gentlemen, and I guess to clarify, Selectman McGrath's point, too, are you purchasing this like a pre buy? So I pre buy propane. I pay a set amount. It lasts me a year. Are these pay as you use it so every month it could change or do you does the Electrical Power Aggregation Committee in Hudson say we're going to buy power for the entire town for a year, two years, three years and we're guaranteed the same rate for three years? Mr. Herndon replied, it's a good question. It would depend on who you select as your service provider. So there are some companies that would say, we're going to sell you 12 months of power at this price, and at the end of that 12 months, you can come back and get a new price. And that could be good because you have stability. But it could be bad because maybe prices fall 12 months in and you're under water. So that's one model the coalition, and we'll talk a little bit about Community Power Coalition in a bit, is different in that it is rather than sort of a 24 month contract, there's an active management of a portfolio of different contracts with different suppliers. So with the Coalition does is on behalf of many communities, manage a portfolio of energy supplies and then so there they can adjust the rate as need be to keep below Eversource over time without just being locked into 124 month fixed product.

Mr. Putnam then said, another just to add to that a little bit, another component of the plan and the way things are structured is there are built in reserve funds that would be accumulated and those reserve funds can be used to help provide price stability as well. The details of those are that is in the plan. The fact that they exist and so on and how they would be used is in the electric aggregation plan. Mr. Herndon added, and there's a good slide a little bit.

Mr. Putnam went on to say so this slide has an example of some options that could be available through Hudson Community Power. And one of the questions to the citizens, as we do the public hearings, it's like, what do you want? What do you want to see in terms of options in from a plan or from a program like this? So there would be a default service, which is the left hand column. And our thinking is that the default service would try to have a renewable component that's about 5 to 10%

above the required renewable portfolio standard or RPS amount. Call it at the moment, it's at 21.6%. Next year it'll be 23.4%. So that's required by law from the PUC, I think specifies that number and it creeps up over a few years. But we'd shoot to try to have it a little greener by 5 to 10%, let's say, and at a price, as I indicated before, that would meet or beat Eversource default price at launch. Then on the right hand side, there's three optional products that somebody could choose from. One of those could be a basic service, which we'll call an opt down, which says, I don't want any more green than I have to have. I want the absolute rock bottom price. And so that would be that one as an option that somebody could sign up for, and that would certainly be below the utility rates, but still has to meet the renewable portfolio standard by law.

And then there could be greener options. So a 50% renewable or a 100% renewable, these are these are all possible. And then other things can become possible in the future as well. As we indicated, things like time of use, metering and so on, which we don't have available to us today. So this is where in particular we're looking for feedback from the Hudson residents as to what would you want out of this plan in terms of rate options. And so looking at what constitutes the rate there's two major components of that. Part of it is, is the required renewable content through the renewable portfolio standard or RPS, and that's indicated by the blue bars there. So you can see those are going up over time it's to 2023, 24, 25 from left to right. So it increases slightly. That's from the PUC that's dictated by statute. And the green box represents what additional renewable power we might take into our various offerings. And as I said, that was looked at. This would be, let's say, for the default power from Hudson Power Plan for Hudson Community Power. And I think that this box is at like 6% I think is what we did or six or 7% or something. Mr. Herndon added, I think it's five. Mr. Putnam then said we said that range, but we picked a number for this. And I think it was. Mr. Herndon then said I think that left column, it's 5% more green, the middle column, it's maybe 7.5% green. In the right column, it's 10% green. Mr. Putnam then said that's the green part is up to us to control. Mr. Herndon added, this is an illustration. Not a guarantee. Mr. Putnam said this is not fixed by any means. It's not decided. So I'll turn it over to Henry.

Mr. Herndon started off by saying, so I'm Henry Herndon, and I'm here on behalf of Community Power Coalition of New Hampshire, which is a one-year-old incorporated power agency here in the state formed by 14 city and town communities that came together to create a nonprofit subject to their control and has since grown in membership. Hudson joined in, I believe, October, shortly...Mr. Putnam corrected Mr. Herndon saying, actually in November. Mr. Herndon went on to say, November, shortly after the incorporation, and it's been in its startup phase for the past year in terms of running solicitations to hire firms to sort of the expert services on behalf of the different communities to operate these programs and support development of plans and really just peer to peer education across the state. So I'll talk a little bit about what the coalition is and how it can provide support so locally governed power agency operating on a not for profit basis and sharing expert services across the collective membership. And we've talked about some of these benefits. But, you know, the scale, the economy of scale you get is one town is magnified further by pooling purchasing power across a number of different communities. So spreading the costs over more customers to help lower those costs and get a greater economy of scale. Also being able to hire top national expertise where one small New Hampshire town might not necessarily attract the national experts. The way of 20% of the state, which is the population represented by the coalition, has done through its solicitations. So sharing that expertise across the collective membership, we talked a little bit about the portfolio.

Mr. Herndon continued on saying, so it's the approach of procurement is slightly different than a brokered approach where you hire a broker, they get you a 12-month contract, you come back at the end of the 12 months. So the managing of a portfolio, it's what competitive electric power suppliers do. It's what the coalition will do through its vendors, where they're in the wholesale market, they're monitoring prices as they change. They have a laddering of contracts. So some short term, some medium term, some long term, some with the supplier, some of that supplier, and you can diversify your portfolio and that helps you keep rates lower over time as opposed to getting exposed as you might be if you have one long term contract that market prices change in the market halfway through and it ends up not being so great for you. There's retail customer services, that's the mailing, the notifications to the customers and managing all of the billing that has to occur through the utility on the back end. And then project development is very much contemplated as part of this coalition. So as they're managing that power portfolio, there's the opportunity to sign contracts with developers to

build local generation assets as part of that energy portfolio, which would be an option. It wouldn't be required of any member.

And then the final point I'll make is the public advocacy. So many of the leadership of the community members have been part of this coalition have. There's a number of former legislators and folks are very involved in drafting and authoring the legislation and some of the regulations. So some very strong state policy expertise and helping to give the collective communities a good voice at the legislature to ensure customer interests are represented. One more important point on this slide. So part of this creation of this new non-profit corporation is to create a firewall and shield the liabilities, shield the members' general funds from liabilities. So Community Power Coalition will be the contracting entity for power supplies for vendor services. And those contracts, those liabilities are non-recourse to member general funds. So again, just sort of ensuring there's protection and the members are not liable.

Selectman Gagnon then said if you would, I think I got a piece of what you were laying down there, but can you spend a moment, explain that a little bit more because you're talking about liabilities, which is risk, and you talk about general fund, which is our money, our tax money. Can you explain a little bit more or even use an example of what couldn't happen or what you're doing here to reduce those liabilities?

Mr. Herndon responded saying right. So the coalition is entering into contracts with service providers, folks that will manage procurement, and then we'll enter into contracts for power supplies. So the financing associated with startup that's not there's no way for that financing cost to come back to the individual member that's something that is held with CPCNH and is there's no so if there's a financier associated with the Coalition, they cannot sort of go through the Coalition to a member to recover that debt.

Selectman Gagnon then said so if I may, if I understand that correctly, then you're starting a business per say. And if just for basic examples of that business goes under and you owe debts to a lot of people, they can't come and chase us being Hudson as a member and try to take money out of our general fund to pay for that debt. Mr. Herndon replied, that's correct. To which Selectman Gagnon replied, got it. Thank you.

Mr. Herndon continued with his presentation saying, so CPCNH it's focused on financial stability, unbiased professional oversight and advance services for the members. The text on this slide is far too small, but do want to illustrate the governance of the coalition. So Craig and Kate are a director and an alternate on the Board of Directors, as are the 20 other communities. Each of the 20 communities has appointed representatives to the Board of Directors, so it's overseen by the communities. Communities make all the decisions at the governance level and are overseeing start up overseeing that solicitation for vendors. They just issued a solicitation to hire a CEO or really to hire an executive search firm to hire the CEO. And they're so, strong community involvement across a number of different committees as well. So I won't talk about all of the different leaders on the Board, but. There are there are six standing committees that have been very hard at work across supporting the members with their electric aggregation plans. The Finance Committee, the Risk Management Committee that's doing that hiring process for the power buyers in a number of other groups. So lots of diverse expertise. This just shows the current membership, the 20 cities and towns that make up the coalition and govern it. And that represents approximately 119,000 customers at full enrolment. and this is actually dated but before the price spikes that reflected \$150 Million in annual revenues of energy sales, it's now double that because the supply rate has doubled. So that's just to give you a sense of the scale of the buying power of the coalition. Importantly, those revenues are all going to be controlled by the Coalition and its members. And on the next slide, I'll unpack that a little bit. But controlling that cash flow in that revenue is part of the intent and the design here. Mr. Putnam then said let me just add that while it shows 20, there's 35 plus in the queue. Mr. Herndon replied, there are 35 businesses that have expressed interest and that are some sort of stage of wanting to launch programs or get a seat at the table with the coalition. And part of the attraction is you could join the coalition, as Hudson has, and you have no commitment to actually take service from the coalition. Coalition can work with you, help you get the lessons of your neighbors, develop a plan and at the end of the day, if you want to go and hire another firm, you can do that.

Selectman McGrath then said so going back to what Selectman Gagnon was asking you about. The rates are based on.... what I understand it is people buying into getting a reduced rate for the supplier. How are these people that are whatever their titles are? How is it how are they being compensated? Are they being compensated based on the savings that the buyers are actually realizing when they buy lower rates? Can you explain that to me? Because it kind of sounds like a scheme here that most people might not want to be part of. Mr. Herndon replied, to Selectman McGrath saying, it's a good question. And it's very well timed because it's actually the next the next slide, I think, helps unpack this. And I had another. Somebody told me to change the text where it's hard to read in the colors there. And I'm sorry I haven't done that for this slide yet. But so how does this get paid for? Is essentially the question. So what you've got on this slide is on the left hand, your bill is half and half. Half of it is the grey Eversource poles and wires, the delivery charge. Half of it is the supply. And that could be Hudson Community Power is that blue part as you have on that page. If you look at the bar chart to the right, the vast majority of your energy supply rate in this example, \$0.10 a kilowatt hour, that blue chunk is paying for electricity. There are other pieces of that rate that pay for other things. There's a grey bar in the middle there that is the overhead, the cost of the vendors that are buying electricity, the credit and the financing to finance those initial purchases and other overhead costs. So that's built into the rate. The third piece is the green bar on top. That is the reserve accrual. So if you're a competitive supplier, what the green bar would represent is their net profit on top. They buy electricity, they pay for their overhead, and then they collect 8, 12, 15% profit on top of that. What the coalition does is it captures that net margin or that profit and it holds it in reserves on behalf of the members. The purpose of those reserves is a couple of things. One is if you have a healthy reserve fund, you accrue some cash. It's a rainy day fund. Prices change in the market. You don't have to jack up your rates because you've accrued a healthy reserve fund. Beyond that, it can also be sort of it helps the credit worthiness of the coalition. And if you want to contract with a solar developer to build a local project, having that cash reserve will attract financing. It will allow you to develop projects. So in terms of like how does this get paid for, there is the it's helping sort of give transparency to you have an energy supply rate. Most of that pays for energy. Some of that is overhead cost and some of that is reserves.

Chairperson Roy then said so just kind of I think this might clarify it. I'm not sure you can correct me if I'm wrong, but this board of directors, is that a paid board or is that a board of volunteers? Mr. Herndon replied, the board is all volunteer. Chairperson Roy then said so just the staff, the CEO, the people that administered the program are paid employees? Mr. Herndon replied, that's right. So right now there's myself, I'm one of two consultants. I'm paid out of grant funding. There's general council and there are a number of firms that are currently the general council is contracted under a deferred compensation contract and the vendors will do deferred compensation contracts. I'll say what that means. So legal counsel has been under contract for about six months. Nine months. They will be compensated after programs go live. We start selling electricity and the revenues start coming in. Until that point in time, legal counsel won't be gone, won't be compensated. Same for the vendors that are going to procure power that are currently we're currently in contract negotiations with and we hope to execute those contracts November. Mr. Putnam then said and if they never go live, they never get paid. Mr. Herndon again said so it's deferred compensation. It's also called an at risk contract, which means say we sign a contract with Ascend Analytics to buy our electricity and coalition never launches. Then the effort that Ascend puts in upfront, they will not be compensated for that. They will be compensated once the program goes live and the cash flow begins. Mr. Putnam added, once revenue begins. Selectman McGrath asked, and what about local boards that monitor or assist with this program? Mr. Herndon asked, local boards such as this board here? Selectman McGrath replied, I'm not talking about the Board of Selectmen. I'm talking about the Sustainability Committee or the what do you call yourself, the Aggregation Committee. Mr. Herndon replied, Right. So the purpose of the committee, this committee is to develop this plan so the town meeting can approve it, and then to advise you as the Board of Selectmen. it will be your decision on if you want to sign a contract with the Coalition or with a private broker to implement the program after town meeting. And you're in no way obligated to do that. But it's that's a decision of this Board is to decide whether or not to hire a firm to run the program. Mr. Putnam added, in terms of compensating us, we're not.... we're volunteers. Selectman McGrath then said that's kind of what I was getting at. And but are we going to need some sort of an agency or a committee or whatever the term was that you just used to monitor the program and run it for us? Is that I mean, we need to know that if we if you think that that's something that we're going to have to do. We're going to have to determine what the cost of that is going to be Mr. Herndon then said right. And the folks who put the coalition together, a

lot of their thinking was let's take the burden of hiring staff off of every individual town. Let's put those staff in a central, nonprofit, locally controlled entity, the coalition, so that they can be available to each town. And each town doesn't have to hire their own power experts. So the coalition will essentially be an agent of you. Your shared staff across the other communities to do those things. I think you do want to have representation on the Board, which you have, and you can have local committees to sort of monitor. One community, Durham is putting together sort of a they called it a workgroup or a task force to keep monitoring programs. So oversight is important.

Selectman McGrath then said just to clarify, there won't be one person on this Board that's going to be part of that. We're going to be a board that's going to vote on whether or not this is implemented for the sake of the citizens. But not one of us is going to be part of that board. Just want to be clear. I want to be clear about that. Mr. Herndon replied I understand. Yes. But so right now you have put Craig on the Board of the Coalition and he sits on that board and he has a vote on that Board.

Mr. Putnam then said so we're a little advanced, but that's fine in the questions. So there's after the town meeting, let's assume that the warrant article passes and now we are into the next phase of this whole thing. We have we... Hudson have a choice. And at the moment it's a it's a choice of choose one of three, but it might be one of more than three CPCNH is is one of the entities that we Hudson could choose to partner with and use their services to run help us run Hudson Community Power. So at some point we'd need to buy, let contracts and buy power and so on. And so who do we do that with? You folks don't have that expertise, and I don't have that expertise. So somebody has to do that and we partner with somebody to do that. They're paid for out of the rate. So that becomes part of that gray bar there. Correct me if I'm wrong. Yeah. So whatever rate is decided for Hudson Community Power, that would that would pay for those services that we need to get in order to purchase power contracts and manage all of that and so on. So that's a professional group that does that. CPCNH is setting themselves up to do that. So we could choose down the road to partner with CPCNH to do that. But there's for profit companies that have been knocking on our door as well, and that's a broker model. And those are perfectly legitimate alternatives for us as well. So after the vote, which we hope is successful, there's more work to be done, which is so how do we want to go? Do we want to partner with CPCNH? And there's a lot of benefit in doing that, but it's not the only way to go. And other towns are have the same decision ahead of them. We're not we're not alone in this by any means.

Mr. Herndon added, so one other detail here is some. Hudson's in a nice spot because it's sort of possibly wave two. So there's a number of communities that might go live April, May of next year, including potentially Nashua. Wave one. So if Nashua goes live, let's say in April and May and next year, then you'll be able to see OC every source rate is this Nashua was rate is this natural with the Coalition they got a better rate great or natural with the coalition and they have a higher rate they I think they're writing into their plan that they will not launch unless they get a lower rate guaranteed. But Hudson has the benefit of seeing how this works in some of the neighboring communities, potentially as soon as spring next year. Mr. Putnam then said so it's complicated. To which Mr. Herndon replied, right? Yeah, especially this sort of having a new this new coalition with this board of appointed local representatives. It's it is a little bit of a new model for the power sector for New Hampshire. It is it does exist elsewhere.

Selectman McGrath then said so I just want to make a comment because I've noticed this I've highlighted it on each page that it appears you refer to us as the Select Board. Two words. We're the Selectmen. We have I mean, the voters would have to authorize changing the name of this board because that first of all, it's going to require that we change all of the all of the letterhead, all of the envelope. I mean, there's going to be a cost to it. Mr. Putnam interjected saying, if we're using the wrong word...Mr. Herndon said it should say Board of Selectmen. Is that? Selectman McGrath replied, or selectmen. Mr. Putnam replied, okay, we'll change it. Selectman McGrath then said well, I'm just I'm pointing it out because it's well, some people call us the Select Board because that's the in my my opinion, the "woke" part of this whatever we're doing. But it's always been referred to as the selectmen, whether it's men or women on the board. And so until we can until it's changed by the voters, we're going to be going by that. Mr. Putnam replied, well we'll fix this to reflect. Mr. Herndon added, yeah, that's a typo. Yeah.

So as Henry indicated, each member meaning member community, Hudson, Nashua and so on, has appointed a director and an alternate. I'm the director, Kate's the alternate, and our role is to represent Hudson and oversee the formation and the governance and the operations of CPCNH. So I serve on a couple of committees and as do most all of the members, all of the appointees from the member communities. And so the Selectmen of Hudson, with the assistance of this Committee, will at some point, if this has stood up, contract for services. And the plan is we were getting at in just a minute ago, the electric aggregation plan assumes, but does not require Hudson to participate with CPCNH to provide those services. I'll acknowledge that there is a tilt in the document towards CPCNH, and that's for good reason. There's a lot of benefit in considering CPCNH, but it's not, it's not a done deal.

Selectman Guessferd then asked so whichever option we choose, if we, when we go out and we choose a partner, whether it's CPCNH or whether it's a separate partner, we would still it would be the same formula in that we would not pay, there would not be any payment coming out of citizens and taxes. I just want to make sure that no matter which way we went, that would be that would be the case. That would be the model that. Mr. Putnam replied the statutes require that there's no tax impact and that the program has to be self-funded. And so one of the advantages, of course, of using the Coalition is, is that there, as Henry was indicating, there's this expertise and resources and the legislative advocacy and so on. So, as you know, I'm being upfront in the way the plan was written. There is a bias towards CPCNH, but it's not a commitment.

Mr. Putnam continued with his slide presentation saying, so this slide is for those that are more visual learners and tries to show the relationship between the major players. and so on the upper left hand corner we have Hudson Community Power and the Electric Aggregation Committee within Hudson and the and the Selectman. The committee has drafted an electric aggregation plan. That's the 70-page document and the Selectman needs to bring that to authorize that to...authorize that to go to town meeting for a vote in the spring. You would also have appointed the CPCNH Directors. Kate and myself and you would ultimately oversee the operations of Hudson Community Power and monitor CPCNH at the bottom as Henry indicated, it's formed. It's up and running. It's governed by, at the moment 20 member communities, which includes Hudson. It's 19 cities and towns and one county, if I'm correct. Mr. Herndon added, yes, except that Canterbury and Wilmot and Sugar Hill all joined in the past two weeks, like 23.

Mr. Putnam replied, 23, I stand corrected. Thank you. All right. So the slides have gotten out of date already. So Hudson Community, sorry, CPCNH has this community appointed board and committees. It has. It's bringing on board expertise, expert staff and vendors and so on, and ultimately intends to provide power and serve the customers. And then CPCNH is providing comprehensive services to Hudson and other member communities. One of the things that has to happen going forward is that the draft, the Electric Aggregation Plan that that has been written has to go to the PUC to be approved. The good news is that Lebanon's electric aggregation plan has gone to the PUC and has been approved, and our plan is largely based on the same template that Lebanon used. So that bodes well for Hudson's plan being approved and several others. What it may be about four or five have gone to the PUC. And then there's the rest of the wave one towns are about to go to the PUC. Mr. Herndon added, this is the month when many plans are being submitted. Mr. Putnam went on to say and so presumably the PUC would approve our electric aggregation plan as revised by input from you folks and the public hearings that are yet to happen. Eversource continues to, as I indicated earlier, maintain the wires and poles and all of that. Their role really doesn't change a whole lot at all. And that ISO New England is where power is being acquired from. That's where the generators live. And so that's the market that would be powered would be purchased from.

Mr. Putnam went on to say so let's look a little bit at the timeline going forward. So Hudson's Electric Aggregation Committee has been studying this concept of community power for actually quite some time. The Committee was formally created just about a year ago, authorized by the Selectmen as a subcommittee of the Sustainability Committee. And we have been hosting these presentations from potential power purchase purchasing service providers since the summer of 2020. Those are those partners, potential partners that I referred to earlier. We need to go back and refresh with them, given everything that's happened since, because at the time, back in 2020, the PUC rules had not been finalized. There's a whole lot of things that were still very much up in the air, and those are largely settled now. So it will be time in the spring, after the warrant article has passed, we'll make that

assumption, possibly earlier. But certainly by then we'd engage with these potential partners again. And in the process of who do we want to deciding? Who do we want to partner with? Select Board officially had Hudson join CPCNH in November or early November last year. That's when you signed the Joint Powers Agreement. And so that gave us access to these resources and the expertise of CPCNH and developing all of this. And it also membership in the CPCNH enabled us to more easily than, than it would have been otherwise to develop the energy electric aggregation plan and bring all of this forward.

So as noted earlier, two public hearings are required. So the dates are there November 15th and January 17th are what's available at the moment. Those are what's booked, I should say. And after those two public hearings are held, then there'll be a final draft of the electric aggregation plan and that will come back to the select Selectmen for approval. And it wouldn't be until after it was approved that it would be submitted to the PUC. So there's this these interactions and we're we have several balls that we're trying to advance down the field simultaneously. In this process. And then the town meeting in the spring will consider the resolution or the warrant article to approve the electric aggregation plan. And again, voting to approve that plan does not commit Hudson to any particular course of action. We are in, we, the Electric Aggregation Committee are in the process of holding some information sessions. We have a planned interview later this month. I think it's the 28th with Flo Nicolas of Tech Smart, I think is the name of her show. Thank you for paving the way for us, Selectman Gagnon. And we're going to we're going to do an episode of her show on Community Power and that will be broadcast on HCTV and elsewhere.

Mr. Herndon added, I think it may be a little more high level than the nitty gritty details we're all into. Mr. Putnam replied, yeah, absolutely. And there was also we stood up recently, about a week or so ago, two weeks ago, the HEAC website, which is a subsidiary website of the Sustainability web page on the Town website. So there's lots of information there and there's a link in the website to the draft plan. This this presentation will also I'll have I'll ask Lorrie Weissgarber to upload it tomorrow. So this will be there as well. I'll make the corrections to turn it into Selectmen before I give it to her. And so to continue. So at some point, my assumption is, is that the Selectmen need to vote on this resolution. And so I don't I don't know when that would be. So that's why it says uncertainty.

Chairperson Roy said yeah, I have a couple of draft motions here, but I'll obviously wait until we're all done with the discussion. Mr. Putnam then said and then if it's if the if Hudson Community Power is approved, there will be another public hearing after the mailed notifications go out. I think that's also required by statute, if I'm not mistaken, so that each resident understands what the program is. So these two first two are to educate and ahead of the warrant article being voted on in the town meeting. And then then after HCP is stood up, then there's another public hearing, at least one that's required as we get closer to actually starting up the program. So that's I think that captures pretty much everything there. So I have a proposed warrant article. This is based on texts that other towns have used and it sort of references the electric aggregation plan. It incorporates it by reference because the document itself is 70 pages and there's way too much there to be in the warrant article. So basically, I think this is the right way to do it. And as I'm thinking about other warrant articles that I've seen, the tax impact of this is none. by statute, and I don't know how the Select Board will vote, but...Selectman McGrath interrupted saying, Selectmen. To which Mr. Putnam replied, Selectmen. Thank you. Selectman Guessferd said let's get the right term. Chairperson Roy replied, I know. Selectman Guessferd then said one way or the other, whether it's selectmen or board of selectmen or whatever it is, I'm not sure either one of those is I mean, we say Board of Selectmen. What is the proper term? I guess we can talk about that later. Chairperson Roy replied, yeah, that's probably I'm not sure for a more relevant time. Selectman McGrath then said I think the voters has to decide.

Mr. Putnam then said so that's a proposed wording for a warrant article. And so we've certainly taken questions along the way. But now we'll open it up. And thank you very much for your attention. Chairperson Roy said I do have some questions. So some of it I just want to be perfectly clear about. I guess the, the entity of the Town involvement. So nothing flows through Town Hall, Right? So I get a bill. it doesn't come to this building right? When I, when I write out my check and I send it in the mail, it goes to. Right. Well, a Town employee doesn't... is not involved. I just want to be perfectly clear about that, that we're not in any piece of the administration of the program.

Chairperson Roy went on to say, and then I have some concerns about and the kind of overall concerns about the opt out portion of this, because when I see that, what I think of is little tiny letters at the bottom of a of a thing, and then you miss it. And if you wanted to opt out, you didn't get your opportunity because you didn't see that. So what how is the messaging going to go so that citizens know that what they have to do to either be part of the program or not be part of the program? Mr. Putnam replied saying, so my understanding is what is required as these mailings need to go out to all of the default customers. So all those customers, retail customers that are on Eversource default. So once it's approved. The warrant article passes. And at that point and I think it has to be after the EAP is approved by the PUC at that point, I think we can go back to Eversource and get the more detailed customer list. am I correct on that? Mr. Herndon replied, that's right. Mr. Putnam continued speaking saying, that's the order. And so we then get the more detailed customer list and then can cause in the "we" here is CPCNH because we decided to go with CPCNH and their vendors do this on our behalf or whoever we, whoever else we partner with, we would have them do it on our behalf. But a mailing goes out to all of the default customers at least 30 days ahead of the switchover date.

Mr. Herndon then said and I think so part of the question is what is the design of that mailer? What does it look like? What is the messaging? Chairperson Roy replied, right. Mr. Herndon continued saying, and so what will what the coalition will do is develop those initial mailers for wave one with those communities in partnership with them this fall and this coming winter. So that's a process. Whoever your service provider would be, you would want to be involved with that service provider and saying, we're going to have hands on of making sure we approve the kind of opt in/opt out notices that you're sending. So you could participate in mean, okay, this isn't hidden in the fine print. This is very explicit. And we like the messaging and the framing here. Selectman Gagnon then said and if I may just clarify, I think what you're saying, let's say someone gets opted in and they really didn't want it to. They missed the mail or they missed something. They're going to switch over to the power aggregation wherever you choose for power. And then if they finally realized, oh, I don't want that at any point they can switch back. Chairperson Roy replied, and I understand that, but if they never wanted to be involved, they should have the choice up front. Mr. Putnam replied, and they will have that option. Mr. Herndon added, or the intention is certainly not to sneak this by folks. The intention is to do a lot of public education and let folks know and be very sort of transparent and accountable.

Selectman Morin then said so somebody doesn't answer your mailing. What happens to them? Mr. Herndon replied, after 30 days they will through the back end, through Eversource and the service provider, they will be moved on to the Hudson Community Power supply rate. They'll still get the bill from Eversource. The bill, instead of saying Eversource Default Supply will say Hudson Community Power Supply. Selectman Morin replied, and you know what I see happening? That's going to be a nightmare for us if somebody didn't return their card and then all of a sudden things change. Mr. Putnam replied it won't be just a card. There will be multiple ways for them to respond. Selectman Morin replied, no, I understand but you send them a card, they don't send it back. They get moved. They don't know about it. That's going to be a nightmare for the Town Chairperson Roy replied, right. Because and I guess that's part of my point is they'll reach out to us, to the Town. Right. And I also understand there's some practical issues there that you're never going to reach everybody. But if we could put another like, coordinate with HCTV to put some PSA's up about, you know, what the process is. Mr. Putnam replied, it doesn't have to be just the mailer. My intent is to have this broadcast in multiple ways. Absolutely no hiding the fact that that here's how it works. And you need to respond in some fashion, whether it's by returning the mailer or on the website or a phone number or whatever, all of those will be available to people to respond.

Selectman Morin then said so why if they don't respond, wouldn't you just leave them on Eversource instead of changing them? Chairperson Roy replied, because they're using an opt out as opposed to opt in. Selectman Morin replied, I understand that. But if they don't answer you, they should just stay on Eversource because I can just see what that's going to do. And I don't I don't see it, I don't see it fair that this committee or this group is changing people's power source if they don't answer. You know, that's kind of taking a right away from them. They don't answer, that's their choice. But you shouldn't move them just because they don't answer. Mr. Herndon replied, I think one way to think about this is they have a choice now. They have a choice with Hudson Community Power right now. If they don't do anything, they're stuck with Eversource. If you know, the purpose of this is to save them a little bit of money. So it's one more option where instead of the Eversource default, which

might be inferior, you have a new better default. Selectman Morin then said let me throw this at you then. You belong to an insurance company that we set up a committee like this that picks insurance companies to make it cheaper. You're going to want somebody to change your insurance and you don't know it? That's what I'm saying. You see my point?

Selectman Guessferd then said and, you know, and quite frankly, I like I like the whole concept. I like the whole idea. But this one aspect of it is the one aspect I have a bit of a problem with is the fact that you're.... Chairperson Roy interjected saying I would be much more comfortable with an opt in as opposed to an opt. Selectman Guessferd then said everybody. I mean, we educate everybody. We go out there, we do all the things we need to do to get there. But we but the opt the opt out piece is a little uncomfortable as well. From my perspective.

Selectman Gagnon then said I guess my take on it, though, is really for the program to succeed not in a malicious way. The opt out, the opt out way is really how the program gets its legs. And and let's play this out. I take, I understand you changing people, especially in New Hampshire everyone has a right. Changing that, you know without getting their written consent is a concern. But the end result is lower cost for them. I mean, how could they be? You guys are saying that they're going to be mad calling Town Hall. Why would they call town hall? They would never have any idea Town Hall is involved. Selectman Morin replied, why do they call town hall now for stuff that has nothing to do with us?

Chairperson Roy then said, and the my point is, is to me, like, it's almost like taking a choice away, right? Like. Selectman Gagnon replied, but they're not. The choice is always there any time they want it. Chairperson Roy replied but then if you, if you if you don't check that box right and then all of a sudden the next month you're like, wait a minute, how did this happen? Right? now you have to do more work to undo it. Selectman Gagnon replied, why would you want to undo it if it's a lower cost? Mr. Herndon then said the choice is made.... Chairperson Roy interjected saying but it's a choice. It doesn't matter. But the reasoning doesn't matter. Mr. Herndon then said the choice is made a town meeting. Selectman Guessferd replied, we all know how many people vote at town meeting. Okay, let's be serious. All right. And and we also, you also need to understand, we also all need to understand human nature. It's like a lot of other things. You know, you get you get a free week of something, you know, and unless you actually contact them to opt out of it, you're in and you're paying, you know, and again, I don't I look at this as in the end game, most likely there are citizens are going to benefit. But it's like part of me, you're going to say, well, you're going to benefit. So we're going to do this for you know, I got a I got a problem with that.

Selectman Gagnon replied but it's an insurance model. Selectman Morin replied I got to tell you, if that doesn't change, I'm going to vote against it because I think you're taking people's rights away.

Mr. Herndon then said maybe I could ask a question. One of the things I'm hearing is if this were to be considered by the Selectmen, public education and public outreach would have to be a really key part ...Selectman Morin interjected saying you'd have to change it that you opt in instead. Chairperson Roy said I personally would be much more comfortable with the opt in model. I understand your point, but that's not the reason Everybody just doesn't do something just because it's a little cheaper. There could be other reasons. I don't know. Maybe they own stock in Eversource. I don't know. Right. But they should have the option.

Selectman Guessferd then said let me let me ask let me ask you guys something now, based on some of the feedback you're getting here, if we insist on that, is that a deal breaker? Mr. Herndon replied so it defeats the purchasing power. You no longer have an economy of scale. Selectman Morin replied see and that's where we were going with that. If you guys don't have the... and that's one of my questions that I was going to ask later on and that you just answered it. So you're kind of forcing people to join it in the term. So I'm not saying you are, but you're taking that right so you can get the better benefit. Well, they may not want it. That's why I want them to have the choice to opt out instead of... Opt in I mean, the opt in instead of out.

Mr. Herndon then explained, I think to try to get at this a little bit. So if you do an opt in program, it's essentially no different than what's what the option is right now, because right now any individual customer can go and shop. It sounds like some of you already do that. So it's the opt in program it's

sort of.... Selectman Gagnon said you're an individual. Selectman Morin then said the problem is can we compete with those companies because they have so many people that we get to opt in because I had a choice, I could stay with Eversource with this rate or I could opt into one of these private companies. Why can't this be the same way? Mr. Herndon replied because you'll get better pricing if it's an opt out. Selectman Morin replied, can you prove that to me right now? Mr. Herndon replied, I can't in this moment, but I can tell you that other states have done it. And I can tell you that when programs go live, you'll have an opportunity to see for yourself. Selectman Morin replied, okay, that was one of my second questions. So thank you. Can we get some information of other states? Mr. Herndon replied, yes. Selectman Gagnon added, and we can even follow Nashua, maybe in the spring.

Chairperson Roy then said okay, I get that. But I, I sort of want to keep going down. I have I have another question for you. If we do this program. Do we become a lower priority for services on equipment for Eversource? Mr. Herndon replied, no. Eversource. Their revenues will remain completely unaffected. Chairperson Roy replied, that's not my question, though. If we if we have say say we have a blizzard and this lines down, does Eversource take the non-conglomerate customers first and fix that first? Mr. Herndon replied, Eversource will continue to consider all the customers its customers equally. They're completely indifferent to where supply is coming from. They don't show up to you, the folks who are buying competitive supply on their own any later, it's no different. Chairperson Roy replied, okay. That's all I have right now.

Selectman Gagnon then said I think from my layman understanding to the power company, has a very interesting profit plan. They make their profits based on adding an increase to their cost. They can only charge so much profits through their service delivery. So that's kind of a mute business to them because they can't make much there. And so that's what we're talking about. Switching here is the service part, the hardware, they actually make money when they keep building hardware, they make money on that. So we'll still have that opportunity to make those profits. Mr. Putnam replied it would not be in Eversource's interest to treat customers like second tier customers. I imagine the PUC would have kittens over that.

Selectman Guessferd then said well, it may be subtle. It might end up being something that we don't even actually see or we can prove. But I get it. I mean, on the objective, it would be a hard thing for them to do, you know, to treat some communities different. Say, okay, we're going to go to Hudson last, you know, put their power on last. I think that would be a tough a tough thing for them because you could almost prove it, you know, and like you said, the Public Utilities Commission would not look kindly upon that sort of scenario. So but still, you worry about it a little bit.

What's the minimum number you need of ratepayers in this town to join this? Mr. Herndon replied I don't have an answer to that. You do have. So it is an option under the legislation to do opt in programs. You do have that as an option. The legislation as originally written, and I think 1996 only allowed for opt in or actually I believe it was changed sort of last second to only be the opt ins. And then it was not used for 20 years in that state because the opt in sort of defeats the purpose of the program. But that doesn't answer your question. But it's just a little context. Selectman Morin then said my concern is you've got to make some money somewhere to pay the bills. So you've got to have a certain amount of people you're expecting per community, correct? Mr. Putnam replied, right. We don't know that number.

Selectman Guessferd then said but I understand that. I mean, it's a business model. I get it. It's a commercial business model that you on day one, you're going to have all these people there Now, maybe a month later, you're not. But on day one, they're there. So you're showing that as your base. And by having the opt out language, they're able to, from a business perspective, prove that this is our these are our numbers. These are what we think our numbers are going to be and people are going to have you're not going to have that many people that are going to opt out initially. Mr. Herndon added 5-10% opt out. Selectman Guessferd replied, right. Right. I mean, I know I mean, again, I'm not saying that in defense of it. I'm just saying that's the reality of the business model, which makes it viable for you to go out and you can go to your providers and say, we're going to have this many people on day one, you know, and all these other states and all this other all these other communities that we've worked with have proven this out. So you can do that when you're negotiating with your providers. I get it. For us it's, you know, and I get that balance trying to figure

out that balance. But in this way, it's kind of at the cost of a choice. Chairperson Roy agreed saying, right. Selectman Guessferd continued saying and I think I think what you're going to find is almost in the end, there'll be a delay. But in the end, you'll probably have as many people that will, will that will end up in the coalition because they'll see that the rates are lower. But again, to get those rates initially low, I know you've got to essentially almost promise them that they're going to have this many customers, they're going to have this much energy that they're going to be able to sell. And you're buying that energy ahead of time. Mr. Herndon replied Yes. So and sometimes they refer to customers as sticky in the industry, which means they don't they don't opt in, they don't opt out. They do whatever the default is. So, yeah, if you do an opt out program, you maybe get 5 to 10% opt out. If you do an opt in program, it's very rare you get more than 5% of the community to participate.

Selectman McGrath then said I just wanted to comment that this only refers to the supplier side of the bill, right? Mr. Herndon replied, yes. Selectman McGrath then said so if Eversource goes up on their rates, it can offset any savings that they may be realizing from opting in to this. Mr. Herndon replied it's the savings are Eversource will have a supply rate Hudson Community Power will have a supply rate and the difference between those that's where your savings comes from. So if their delivery rates going up, that that's sort of a separate. Mr. Putnam said it goes up for everybody to which Mr. Herndon agreed. Mr. Putnam added, it's not it's not a delivery rate for Hudson Community Power. It's Eversource's delivery rate. Period. Selectman McGrath then said it would be nice, I think, for the residents of this town to realize the savings wherever they can get it. And if it's if it's this program, then hopefully they can realize that. But it needs to be crystal clear. Crystal clear what their, what they're actually opting into. And I and I agree that they have to opt into it. You can't just can't just decide for them and put them into that program. And then all of a sudden they've they're not happy. So I agree with my colleagues.

Selectman Morin was recognized and said at this point, because of the way the State of New Hampshire is and we don't have anybody that's doing this, I would like to defer this tonight. We have plenty of time to get Warren articles in. I'd like to see some numbers from the other states and some other information. Chairperson Roy added, I was going to suggest the same thing. Before we make any motions. Selectman Guessferd added, I would agree. That's a good, it's a good, good point.

Mr. Putnam then asked, so what's the what's the timeline we're working for to get those numbers to you? Because I thought warrant articles needed to be in within a month. Mr. Herndon said there's a report from Massachusetts I could send around tomorrow with those numbers. Selectman Morin replied, if you can just send to the Selectmen's office so they can get it to us. Chairperson Roy added to Jill here and she can get it, she can blast it out to us.

Selectman Morin then said hearing what I'm hearing from the rest of the Board, there is some concern about the opt in. If we can get some information on that. I mean, it can put somewhere in the contract or in the plan. Look into that and come back and give us some information on that, because right now I'm not sold. I really have concerns about putting people in something that they may not even be aware of because we find in voting, let's take when we went to two districts, we sent mailings out to everybody and look what happened. And that's my concern.

Chairperson Roy agreed saying, right. Overall, I'm not a big fan of the opt out thing of, you know, portion of it kind of leaves a... like he said, you know, you sign up for a week and all of a sudden you're paying for a year because you didn't realize what you were doing. But so I want to make sure that our citizens know exactly what's going to happen with their electric bill. Right.

Selectman Guessferd then said well, yeah. And and it just it it comes down to the balancing, right. Balancing on one hand, getting a lower rate for the citizens. We all want to pay lower. We all want our citizens to pay lower costs. And giving them an option to to do to have free will to to make. And so what is it's a balance and not sure the balance is there yet in terms of what we've seen. But I, I love the idea of saving money and having and again, I do understand the business model and why you're doing it this way, but I'm not sure that that's going to be received.

Chairperson Roy said I also like the like the concept that's here. I just I can't quite get there yet without more information.

Selectman Gagnon then said this is fascinating conversation to me because I'm a little baffled. With all due respect, we have two individuals who have this service who've chosen this service. Selectman Guessferd said, well, not this. I mean, you talk about alternate providers. Selectman Gagnon replied, yeah. Selectman Morin said but we chose it. Chairperson Roy said you opted in. Selectman Gagnon went on to say and then you have a community who's been an outcry over electrical bills right now. And this is just to save them money. We're not signing them up for a free cruise that's going to charge them \$1,000 next week. And there's opt out whenever you want it.

Selectman Morin replied, let's look at the community. They may have a problem with the electric bill, but if you change something on them without them realizing it, that's going to be an issue. Chairperson Roy agreed saying, right. I mean, it's a matter of they should and they should be able to do their own before they make a decision like that. Whether they're going to opt in or opt out, they should be able to have the opportunity to look at everything and then make the decision. I get it. And again, I think the concept is amazing here, right? It's just that when you're arbitrarily, I guess, doing something for somebody that kind of rubs that doesn't rub me the wrong way. We could go into a whole thing about choice, right? Selectman Guessferd said oh, it's a bigger. Chairperson Roy continued saying, that we won't, but we could. And it's it's a choice. And they should be able to make that choice to opt in.

Selectman Gagnon then said I think there's other ways out. I'm seeing this as pretty black and white. It has to be opt out. That's how the business models structured. If it's opt in, these guys are wasting their time. Let the guys keep knocking on our front door and giving our sales pitch to our residents. This whole this whole this whole program falls apart. Selectman Morin then asked but if they sell it as they say it's going to work. It shouldn't be an issue.

Mr. Putnam then said I guess my question is, given that that the program likely might not succeed if it's opt in in Hudson, that we based it on opt out because of the stickiness issue that Henry mentioned, what level of community engagement and education efforts and so on would get you to the point of where you feel that we've done a good enough job of reaching the vast majority of the people. I understand there's a basic principle that you don't like. Selectman Morin said you're not going to reach a vast majority. That's what we're telling you. Chairperson Roy then said so and that just sort of begs not another question. I think it's what you already asked is, so what's the minimum you need for them to opt in? How many how many folks or households would you need to opt into this to make this program work? Mr. Herndon replied, it's more a question of the cost increase of you have to the cost of acquiring customers becomes high. It becomes very expensive to go you're going to knock on all the doors or whatever it might be. So it becomes very expensive to bring people into the program. Chairperson Roy then asked, so you're counting on people. And I guess and I'm not don't take this as like accusatory, but you're accounting on people not paying attention and just letting it happen. Mr. Herndon replied, no, we're kind of people being informed. And I think so this discussion has been has been very helpful in sort of understanding what would make you more comfortable with the program. But a number of those things, I think, you know, one, let's say a program launched next year and they said, here's Eversource's rate. We're now saving everybody in town, 10% on supply rates relative to Eversource. You know, that would be a pretty I think that might contribute to a compelling argument for do you want to you can you can take an action and save everybody 10% on their electricity rates that are all going through the roof right now or not. That's one thing. And I think the making sure they are informed. So you know, design of mailed notifications, that is something that you felt comfortable with being very clear. Good education, good information. I'm wondering if these are things that would.... Selectman Morin replied we've got a history of mailing things. It didn't work.

Chairperson Roy then said so I would I would want to see what you would what you would come up with the way....Mr. Herndon interjected saying you want to better understand how the customers would be informed because the goal is not to not inform customers. The goal is very much to make sure customers know what...Chairperson Roy replied, that's actually not what I said. But what you're banking on is that people won't do anything. Mr. Herndon replied we're banking on them, read a mailer and say, we just saved you 5-10% of your electric rates. You can choose Eversource or someone else if you like, but if not, welcome the Hudson Community Power. And we're going to continue to grow this program with you over time. Selectman Guessferd replied, and those citizens, a

lot of them are going to go, what the heck just happened? You know, again...Mr. Putnam said if you if nobody reads the mailer, nothing would have happened. Selectman Guessferd continued saying, I know we saved you. This is a this is an interesting discussion, by the way. I see both sides of it. I really do from a business perspective and from a citizen perspective. But it's in the past now, the customer has saved money. And what you're banking on is that they're they're going to be less upset that they weren't informed that than, hey, I saved money. But I can tell you what, there's a lot of people out there that are going to go, yeah, I saved money, but gosh darn it, you know, somebody should have said something to me or whatever, or let me make my make me make that choice. Yeah, maybe in the end, the end game is is good for, for folks. But I guess part of it is to looking at you mentioned our community. This community is is tends to be very much, you know independent minded and it likes to make choices on its own. The problem is on the other side of this is that at town meeting how many people vote you know right. You have 4000 people out there that are voting. Again, not saying anything negative about you guys. I understand the business model, but there's you know, when you're going through this whole process that there is a huge percentage of people that are going to be on your books day one, because either they weren't paying attention and no matter how much we inform them because there is, like you've said, we inform people, we can inform to the cows, come home. But but the majority, I say over 50% of the people, you know, are kind of going along and living their lives. And not that they're not paying attention per say, but it's just they're distracted to doing other things. And next thing you know, this comes in. Yeah, they might go, hey, wow, save me some money, but there's going to be a lot that are that are going to be like, wait a minute, I, I wanted to have my own choice. And whether that was one of these other providers, you know, independently or Hudson Community Power or Eversource, we tend to be the kind of society where once we're in a place and we feel comfortable. We're not going to make a choice at that point. We're going to be like, okay, you know, so that's what you're banking that's what we're banking on here, is that people are going to get into it and go, yeah, you know, they're just going to look at their Eversource bill and see that it's less. They might not even see Hudson Community Power on there. They just might see my bill is lower. Okay. And that's a plus. That could be a plus or, you know, I mean, it's obviously a plus for saving money. But I think what we're concerned about is just that other piece of it is, you know, and you're right, we will I don't, I don't mind the fact that people will contact us because that's what we're here over here for. But we're going to be at the spear at the point of the spear when people are like, what did you just do?

Selectman Gagnon asked, is there a way to ease or I don't know how how do you ease those concerns? Do we have a survey that go out somehow multiple ways and say, do you mind if we save you some money? Like who's gonna say not to that. Chairperson Roy replied but, again, but Brett...Mr. Herndon then said there will be a call center for the coalition for customers.

Selectman Guessferd then said well people are going to be saying, are you really going to save me money? Selectman Gagnon replied, All right, ask them do you mind if we switch something on you to save your money? How do you want to word it? Could we make them? Could we make a...I'll stand out in the road and say, will you. Will you be mad at this? How do we answer your concerns? Selectman Morin replied, I know what you're saying, but the problem is, people...we'll get the people that watch this meeting, the people that go to town meeting and then everybody else, some stuff comes to your house goes right in the circular file. And that's my point. Chairperson Roy agreed and then said and to Selectman Guessferd's point if I remember the number correctly was we had like 14% of the voter's vote. And what we're you know we're saying is that we just let other people make our choices. Selectman Gagnon replied, that's a bigger issue. These gentlemen and even us can't fix that. We ask people to vote. We can't fix that problem. Chairperson Roy replied, again, I still have concerns about the whole opt out thing. It just doesn't sit right.

Selectman Gagnon then said so I guess just the way I professionally put it and I do this at work too, is if you're against something respectfully, can you at least provide an avenue for these gentlemen to convince you otherwise? Chairperson Roy replied, I did. It's that...and I get the business model. But they're banking on people aren't going to be paying attention. Selectman Gagnon asked, so how can they convince you that's an okay practice? Or what do they need to do? Chairperson Roy well it's not an okay, see, you're not going to convince me that that's an okay practice.

Selectman Morin then said s not our it's not our problem to give them an offer. It's for them to come with us what they're going to do. Not us telling them what you know what I'm saying? Mr. Herndon

replied it's clear to me that there's more information, more information from the committee, from the coalition, from other service providers about some of these details would like at the very least help to clarify. Chairperson Roy replied, it would be helpful. Selectman Morin then said the thing is, what you've got to tell us is how are you going to get to the other people over the 15, 14%? How are you going to contact them? Mr. Herndon replied, right. So again, I think the mailers, the communications, the public engagement, these are all critical things. And one of the so the coalition, they're negotiating these agreements with a number of service providers. The main ones are the people who are buying power. One of them is a group, a nonprofit here in the state who will do public outreach and engagement plans with committees sitting down with each committee developing where are your networks? What are your lists? What are your community TV channels, your radio stations, your newsletters that we can all we can tap to make sure we are informing the public. So these kinds of plans, I know they're not in place right now, but these are the kinds of things that will be being developed over the coming months and can contribute to that. Mr. Putnam added and vendor contract is out and hopefully will be signed by Friday.

Selectman Guessferd said I think we've got to find a way to tip these scales right now. Right now, I think what we're what I'm seeing here in this room is the scales tipped here with with choice. Right. And with your what you're trying, which we're trying to do, I guess, is how can we tip that scale where, you know, it's a necessary evil possibly, you know, because the benefit is going to far outweigh the detriment. And I think that's really what we're trying to get to here. Because I'm I'm on the fence on this, except I'm leaning this way. I'm leaning right now because I'm seeing exactly what we're talking about here is we're not giving people a choice. So if if that benefit of that choice of that non choice is going too far exceed. The personal angst I guess I'll call it, of not having that choice then then the scales may, you know, may even up here and make it, make it go another direction. But we don't have all that information yet. And it's I'm just like I said...Mr. Putnam said so we've got more work to do to get you some information.

Chairperson Roy said I could be swayed with more information, you know, which I don't think is going to happen tonight. I'd want to see what. Mr. Herndon and Mr. Putnam both replied, not tonight, no.

Selectman Gagnon then said so a question, I mean, are to lay options on the table, then what if these gentlemen said they got 60% of the surveys back? More than half the town, with an answer? Would you be okay with that? Tipped the scales, saying 60% of the town said yes, and we just couldn't get any any more than that. That's a more than a majority. Are those kind of data? Chairperson Roy replied I mean, I don't know if they're talking about doing a survey or not more data like. Mr. Herndon replied how are customers informed, how are they notified? What are the actual price is going to be? There's not enough of that information yet. Mr. Putnam added, and we can get you details on how it's gone in other in other locales.

Selectman Morin then said, yeah but the main concern, you can give us all the numbers you can and we can all agree, but if the people aren't notified, that's what you got to understand. That's the concern. What it sounded like to me, we're all in favor of moving forward with this other than that stipulation. Chairperson Roy added, that piece of it. So, I mean, maybe it is a survey of Hudson. You know, you maybe throw a survey monkey. Mr. Putnam asked, is there a mechanism for doing that? Mr. Herndon replied that's going to be part of the coalition and Clean Energy working on that. Mr. Putnam added and hopefully we'll have Clean Energy on board come Friday. Mr. Herndon replied not by as soon as Friday. Mr. Putnam added, well, signing the contract. Mr. Putnam then said oh, I misunderstood.

Selectman McGrath then said but it's not just the voters that they're I don't think you're saying that. You just want the voters notified. You want all of the...Chairperson Roy said Oh, all the customers. All the customers. It's all customers. Yeah, yeah, yeah, yeah. We're not talking about just voters. No, no, no. Selectman McGrath replied but voters came up at some point, so I'm just. Chairperson Roy replied, well, we were talking about the low voter percentage rate. Selectman Guessferd then said versus the citizens. Right. Voters are here. Citizens are here. There's that much more of them. I mean, how do we get a hold of them? How do we how do we know? Selectman McGrath replied if I had the answer to that, I would be a very wealthy woman.

Selectman Gagnon then said so essentially could still be an opt out program. But if you had data...Selectman Roy said I would want much more data. Yeah. Selectman Gagnon replied, okay. So I want make sure these gentlemen have something.

Chairperson Roy said so costs and then you know how how citizens feel about that. Like I don't know. Selectman Guessferd said if citizens said, hey, that's okay. Chairperson Roy added first of all, if you got 60% back on a survey, that would be amazing. I know, But yeah. Selectman Gagnon said can you give a statistic that that these gentlemen. Selectman Guessferd replied, I don't I don't I don't know what that number is. Mr. Herndon said but I do know it's helpful feedback more details on how the public would be informed and engaged and what the cost would be, right? I think that's right. This discussion has been very helpful. Selectman Guessferd said yeah. We just know we're representing the citizens of the town in many ways, not just saving money, but also in in how they how they're involved, I guess I'll say, in decision making.

Selectman Morin said you don't have to rush because January I think it's January. Ms. Laffin said as long as it doesn't require a bond hearing or it doesn't have a tax impact, then you would have, I believe until January, I can get those dates for you tomorrow. Mr. Putnam said that gives us a little more time. More breathing room. Mr. Herndon said this has been very helpful.

Selectman Guessferd said than you and thank for listening. Chairperson Roy said thank you. And you guys did an amazing job putting this together and all the work. You know, and if it was just me, you know, I'd opt in. Mr. Herndon replied, next time, you'll have a comprehensive plan for how the public will be engaged in more details.

5. ADJOURNMENT

Motion to adjourn at 8:41 p.m. by Selectman Gagnon seconded by Selectman Guessferd. Carried 5-0.

Recorded by HCTV and transcribed by Jill Laffin, Executive Assistant.

Kara Roy, Chairperson

Bob Guessferd, Vice Chairman

David Morin, Selectman

Marilyn McGrath, Selectman

Brett Gagnon, Selectmen