

Hudson Community Power

Public Hearing: Electric Aggregation Plan

November 15, 2022



Presented by: Hudson Electric Aggregation Committee

Hudson Community Power will allow the Town to provide energy supply and related services on behalf of Hudson's residents and businesses.

Community Power programs create an economy of scale that can result in more affordable electricity and expanded options for renewables and innovative energy technologies.

Agenda

1. What is Community Power?
2. Your Electric Bill: Supply & Delivery Charges
3. The Electric Aggregation Plan
4. “Opt-out” vs. “Opt-in”
5. Possible Warrant Articles
6. Questions & Discussion



REUTERS

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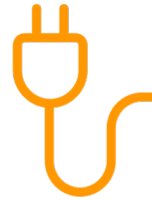
Frigid winter? New Englanders will pay through frozen noses for oil and gas

By Scott Disavino and Laura Sanicola

Residential consumers in New England are expected to pay an average of 26.3 cents per kilowatt hour for electricity and \$19.90 per thousand cubic feet for gas in January 2023, up more than 15% from last year and the most on record for both during January, according to EIA data going back to 1997.

What is Community Power?

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



Pooled Purchasing Power for **Energy Supply**

- ⚡ Access to competitive markets
- ⚡ Lower costs & price stability
- ⚡ Option to source power locally & access more renewables

Utilities continue to **Deliver** Power

- ⚡ Own & maintain the power grid
- ⚡ Deliver generation to load
- ⚡ Ensure reliable electric service

Community Benefits from **Value Added Services**

- ⚡ Affordable rates
- ⚡ Access to green power options
- ⚡ Future:
 - ⚡ Time-of-Use rate options
 - ⚡ Solar, storage, electric vehicle support

Benefits of Community Power



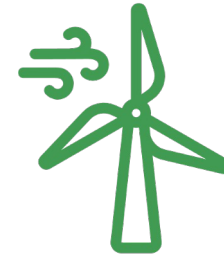
Local Control

Democratizing energy procurement to the community level



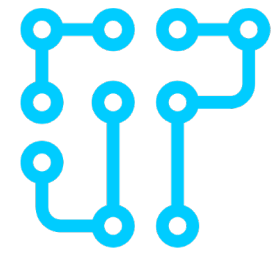
Lower Costs

MA, NY, CA and other markets have demonstrated lower rates than regulated utilities



Renewables

Build & Buy Clean Energy
Support more local renewables



Resilience & Innovation

New Technologies
Market Competition
Price Signals
Customer Empowerment

Hudson Community Power “will only launch if it is able to initially offer residential default rates that are lower than or competitive with those offered by Eversource”

(Page 2 of proposed Electric Aggregation Plan)

Community Power Coalition of New Hampshire

⚡ Community-governed not-for-profit Joint Power Agency formed on 10/1/21

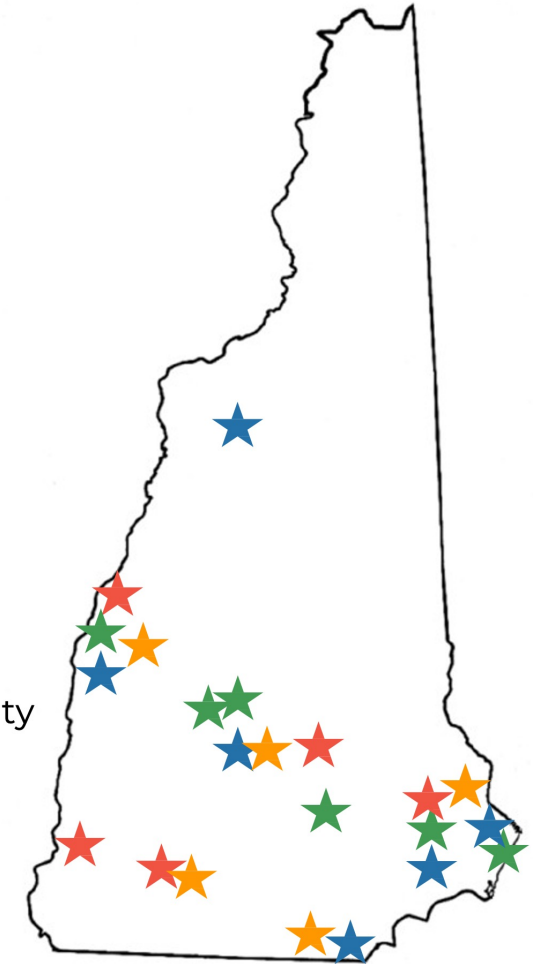
⚡ ***22 Members representing:**

- **20% of NH population**
- ~119,000 customers
- ~960,000 MWh / year
- ~\$150 million / year revenues (controlled by communities)

⚡ Target windows for program launch:

- Spring 2023 for 12 Members
- Spring 2024 for 8 Members

- ★ 1. Hanover
- ★ 2. Lebanon
- ★ 3. Exeter
- ★ 4. Nashua
- ★ 5. Harrisville
- ★ 6. Rye
- ★ 7. Warner
- ★ 8. Dover
- ★ 9. Walpole
- ★ 10. Newmarket
- ★ 11. Plainfield
- ★ 12. Enfield
- ★ 13. Durham
- ★ 14. Pembroke
- ★ 15. Hudson
- ★ 16. Webster
- ★ 17. Cheshire County
- ★ 18. New London
- ★ 19. Portsmouth
- ★ 20. Peterborough
- ★ 21. Canterbury
- ★ 22. Wilmot
- ★ 23. Sugar Hill

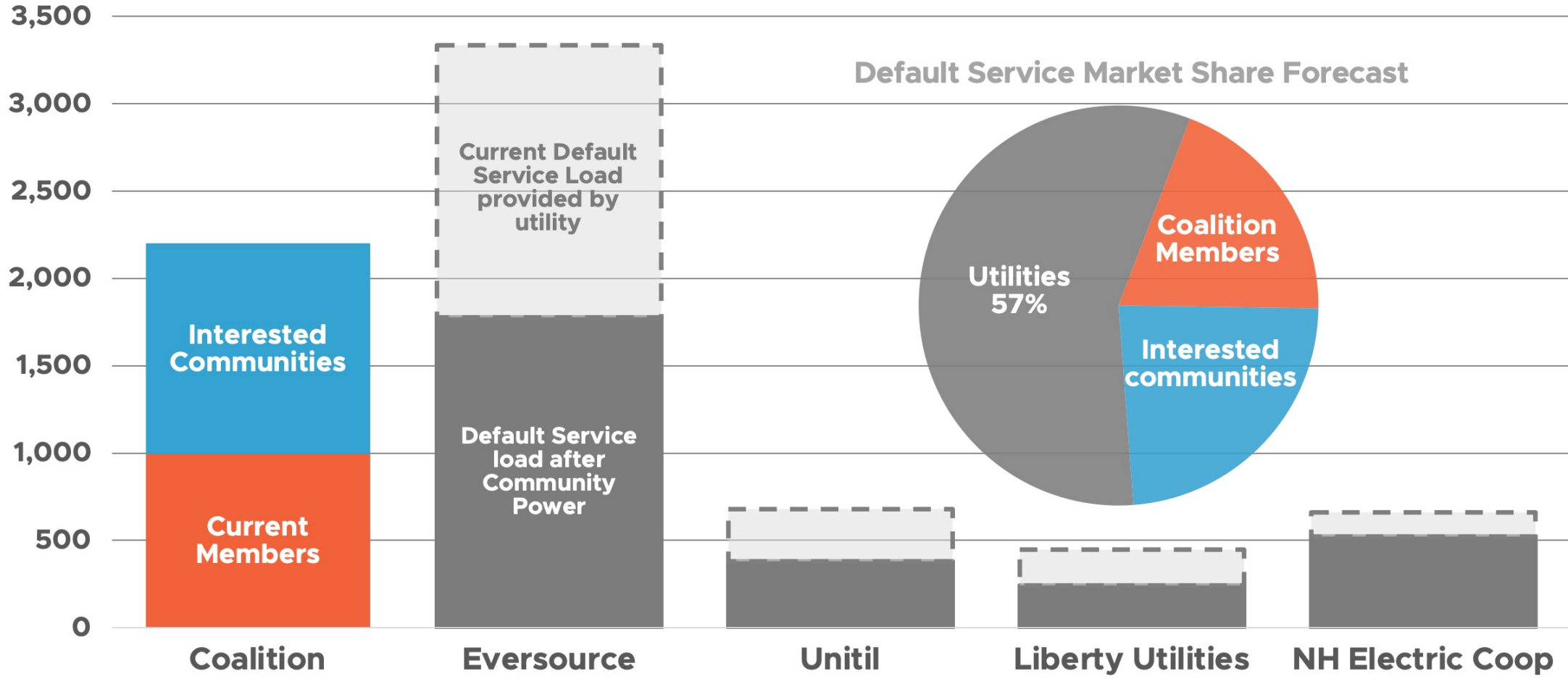


**Sugar Hill Membership pending Board vote to admit*

Economy of Scale



Default Supply Service by Utility vs. Coalition (forecasted gigawatt-hours of electricity purchases)



(30+ additional communities have expressed interest in joining the Coalition)

Governed “for Communities, by Communities”

BOARD OF DIRECTORS

- 1 Director Clifton Below, City of Lebanon (alternate: Greg Ames)
- 2 Vice Chair Christopher G. Parker, City of Dover (alternate: Jackson Kaspari)
- 3 Treasurer Kimberley Smith Quirk, Town of Enfield (alternate: Jo-Ellen Courtney)
- 4 Secretary Doria Brown, City of Nashua (alternate:)
- 5 Director Terry Clark, Cheshire County (alternate: Chris Coates)
- 6 Director Kevin Charette, City of Portsmouth (alternate: Peter Rice)
- 7 Director Kent Ruesswick, Town of Canterbury (alternate: Howard Moffett)
- 8 Director Amanda (Mandy) Merrill, Town of Durham (alternate: Nat Balch)
- 9 Director Nick Devonshire, Town of Exeter (alternate: Julie Gilman)
- 10 Director April Salas, Town of Hanover (alternate: Peter Kulbacki)
- 11 Director Andrea Hodson, Town of Harrisville (alternate: Andrew Maneval)
- 12 Director Craig Putnam, Town of Hudson (alternate: Kate Messner)
- 13 Director Jamie Hess, Town of New London (alternate: Tim Paradis)
- 14 Director Toni Weinstein, Town of Newmarket (alternate: Steve Fournier)
- 15 Director Steve Walker, Town of Peterborough (alternate: Danica Melone)
- 16 Director Matthew Miller, Town of Pembroke (alternate: Jacqueline Wengenroth)
- 17 Director Evan Oxenham, Town of Plainfield (alternate: Steve Ladd)
- 18 Director Lisa Sweet, Town of Rye (alternate: Howard Kalet)
- 19 Director Paul Looney, Town of Walpole (alternate: Dennis Marcom)
- 20 Director Clyde Carson, Town of Warner (alternate: George Packard)
- 21 Director Martin Bender, Town of Webster (alternate: David Hemenway)
- 22 Director William Chaisson, Town of Wilmot (alternate:)

OFFICERS & COMMITTEE CHAIRS



[Clifton Below](#)
Chair

City of Lebanon
Assistant Mayor & City
Councillor



[Kim Quirk](#)
Treasurer

Town of Enfield
Energy Committee



[Christopher Parker](#)
Vice Chair

City of Dover
Deputy City Manager



[Evan Oxenham](#)
Secretary

Town of Plainfield
Energy Committee



[Matt Miller](#)
Chair, Risk
Management

Town of Pembroke
Energy Committee



[Lisa Sweet](#)
Chair, Member
Operations

Town of Rye
Energy Committee



[Mandy Merrill](#)
Chair, Regulatory &
Legislative Affairs

Town of Durham
Energy Committee



[April Salas](#)
Chair of CEO &
Staff Search

Town of Hanover
Sustainability Director

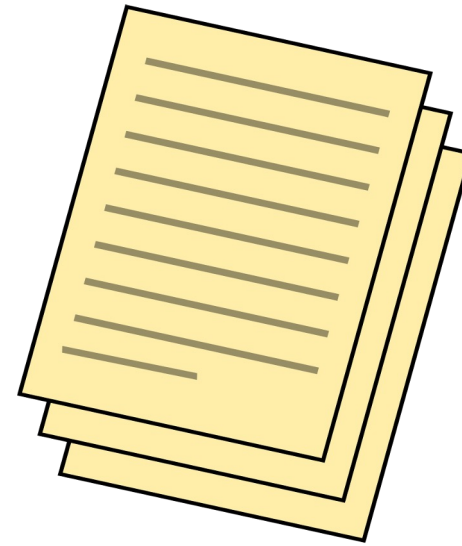
COMMITTEES (1) Executive (2) Finance (3) Risk Management (4) Member Operations & Engagement (5) Regulatory & Legislative Affairs (6) CEO & Staff Search

Empowering Local Leadership on Energy Projects & Policy

Community Power...

- ⚡ puts local cities and towns front and center for energy solutions
- ⚡ Empowers local leadership at the Legislature and Public Utilities Commission
- ⚡ Creates solutions for lowering energy costs and generating more clean energy





2. Your Electric Bill: Supply & Delivery Charges

Electric Bill: Supply & Delivery

Page 1

Payment will be sent to bank
for processing on 09/24/21

\$145.64

Amount Due On 08/29/21	\$26.47
Last Payment Received On 08/25/21	-\$26.47
Balance Forward	\$0.00
Total Current Charges	\$145.64

Current Charges for Electricity

Supply

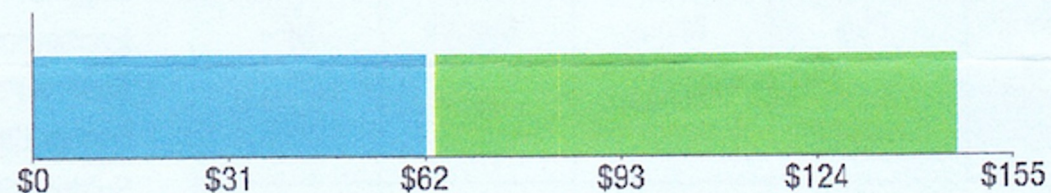
\$62.31

Cost of electricity from
Eversource

Delivery

\$83.33

Cost to deliver electricity
from Eversource



Your electric supplier is

Eversource
PO Box 330
Manchester, NH 03105-0330

Electric Bill: Supply & Delivery

Page 2

Total Charges for Electricity

Supplier Eversource	→	Supplier Hudson Community Power
Service Reference:	[REDACTED]	
Energy Chrg - Rate R	706.00kWh X \$0.08826	\$62.31
Subtotal Supplier Services		\$62.31

Delivery

(RATE R RESIDENTIAL SVC)

Service Reference: [REDACTED]

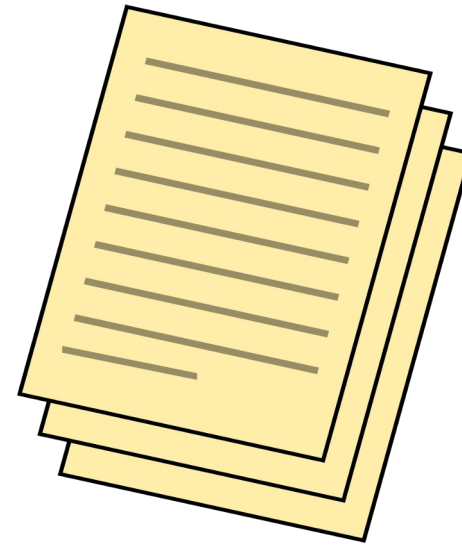
Customer Chrg		\$13.81
kWh Distribution Chrg	706.00kWh X \$0.05177	\$36.55
Regulatory Reconciliation Adj	706.00kWh X \$-0.00016	-\$0.11
Transmission Chrg	706.00kWh X \$0.03046	\$21.50
Strnded Cst Recovery Chrg	706.00kWh X \$0.00896	\$6.33
System Benefits Chrg	706.00kWh X \$0.00743	\$5.25
Subtotal Delivery Services		\$83.33

Total Cost of Electricity **\$145.64**

Total Current Charges **\$145.64**

Key Points

- ⚡ **Eversource will continue to deliver electricity**, and to own and operate the local distribution system (poles, wires, transformers, sub-stations, etc.).
- ⚡ The Board of Selectmen will be **authorized to contract services and power supplies to launch Hudson Community Power.**
- ⚡ **Participation in Community Power is completely voluntary.**



3. The Electric Aggregation Plan

What is the Electric Aggregation Plan?

- ⚡ The Selectmen designated the Hudson Electric Aggregation Committee as the Electric Aggregation Committee pursuant to RSA 53-E.
- ⚡ The Selectmen tasked the Committee with preparing an Electric Aggregation Plan. This is a detailed plan that explains how our Community Power program will operate. The current draft plan is available for your review on our webpage at: [https://www.hudsonnh.gov/sites/default/files/fileattachments/sustainability_committee/page/52742/hcpeap - draft.pdf](https://www.hudsonnh.gov/sites/default/files/fileattachments/sustainability_committee/page/52742/hcpeap_-_draft.pdf)
- ⚡ The Hudson Electric Aggregation Committee (also pursuant to RSA 53-E) will hold 2 Public Hearings, on 11/15/22 and 1/17/23, to educate the community about the plan and get community input.

Purpose of the Electric Aggregation Plan

- ⚡ Defines program goals and objectives
- ⚡ Defines governance (e.g., process for approving rates)
- ⚡ Summarizes the implementation process
- ⚡ Commits Hudson to comply with applicable statutes and regulations in terms of:

(a) Providing universal access, reliability, and equitable treatment of all classes of customers;

(b) Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules.

The Plan does:

Address issues required to be considered by RSA 53-E including:

- (a) How net metering will be provided; and
- (b) How customers enrolled in the Electric Assistance Program will receive their discount.

The Plan does not:

- Otherwise commit the Town to any defined course of action; or
- Impose any financial commitment or liability on the Town of Hudson or its taxpayers.

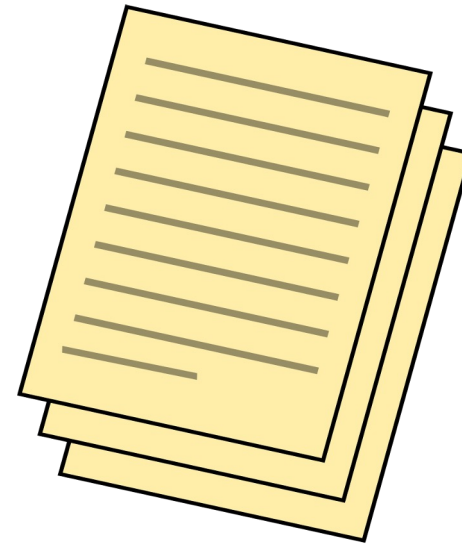
Electric Aggregation Plan Overview

Chapters:

1. Introduction to Community Power
2. Overview of Hudson Community Power
3. Community Power Coalition of New Hampshire
4. Hudson's Goals, Objectives & Requirements
5. Statutory Requirements for Hudson's Plan

Appendices:

1. Legislative Background
2. Community Power Coalition of NH
3. Renewable Portfolio Standard
4. Utility Procurement & Rate Setting
5. Utility Net Energy Metering Tariffs
6. Net Energy Metering, Group Net Metering & Low-Moderate Income Solar Project
7. Hudson's Public Planning Process and Town Policy Excerpts
8. Abbreviations
9. How Load Serving Entity Services will be Implemented
10. Customer Data Protection Plan



4. “Opt-out” vs. “Opt-in”

Why is this an issue?

- ⚡ If you have watched the recording of the 'workshop' session with the BOS on 10/4, you are no doubt aware that they are concerned about backing an opt-out plan
- ⚡ RSA 53-E does not specify that the plan must be written as opt-out
- ⚡ However, the reality is that **no known Community Power Agency has ever successfully launched using an opt-in model.** On the other hand, **there are many successful launches using the opt-out model.**
- ⚡ Thus, the Hudson Electric Aggregation Committee wrote the initial draft of the plan specifying the opt-out model
- ⚡ Let's look at the pros & cons...

Enrollment Mechanisms

Opt-Out: Hudson CP = “Default Supply”

1. Adds **competitive** Default Supply option providing residential customers competitive market benefits afforded to large customers
2. Notification to all customers about HCP → comparison to Eversource rate → automatic enrollment into program benefits
3. Achieves economy of scale (>90% **participation**) → increases purchasing power → increases ability to lower costs
4. **Voluntary:** Customers may “opt-out” and choose Eversource or other Supplier at any time with not cost/penalty

Opt-In: Eversource = “Default Supply”

1. Customers who do not self-enroll stay with **regulated utility** Default Supply → vast majority of customers miss benefits of HCP
2. Customers must notify the program of their intention to enroll in its electricity service before a next full billing cycle.
3. Does not achieve economy of scale (**5-10% participation**) → diminished purchasing power → inferior cost savings & benefits
4. **Voluntary:** Customers may “opt-in” and affirmatively choose HCP

Based on the trade-offs, Hudson Electric Aggregation Committee recommends the Opt-Out enrollment mechanism.

Customer Notification and Enrollment Process (Opt-Out)

- ⚡ At least **30 days before program launch** all Hudson electric customers will be mailed **notifications** that will include the initial fixed rate for Hudson Community Power service compared with Eversource.
- ⚡ Customers currently on default energy service provided by Eversource will be **able to decline participation or “opt-out”** of Hudson Community Power by a return postcard, online, or by calling a customer service number.
- ⚡ If a **customer is already getting their power from a competitive supplier**, nothing will change unless they choose to switch and **“opt-in”** to Hudson Community Power.
- ⚡ New utility customers will be enrolled with Eversource as is the case today but will get similar opt-out notices.
- ⚡ 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 or exit fee**.

Hudson Community Power will:

1. **Serve as the default electricity supplier (if “Opt-Out”)** – replacing Eversource in this role.
2. **Offer optional innovative service and rate options to customers on an “opt-in” basis** such as more renewable energy and time-varying rates.
3. **Operate on a competitive basis** – Customers will be able to switch back to Eversource energy service or other supplier *with no penalty*.
4. **Be self-funded** by rates paid by participating customers – **The Town will not use taxes to cover program expenses.**

The Selectmen, with advisory support from the Electric Aggregation Committee, will contract for the necessary services and power supplies to implement and operate the program, set customer rates prior to program launch, and continue to provide oversight thereafter.

Example of Customer Rates and Optional Products

Example default service product and optional rates that could be offered to customers:

	Default Service (automatic enrollment)	Optional Products		
		Basic Service (opt-down)	Green Start (opt-up +)	Prime (opt-up +)
Attributes	5-10% above Renewable Portfolio Standard (RPS)	Meets Renewable Portfolio Standard	~50% Renewable	100% Renewable
Price	Meet or beat default utility rate at launch	Below default utility rate	Higher or competitive with default utility rate	Possibly exceeds default utility rate

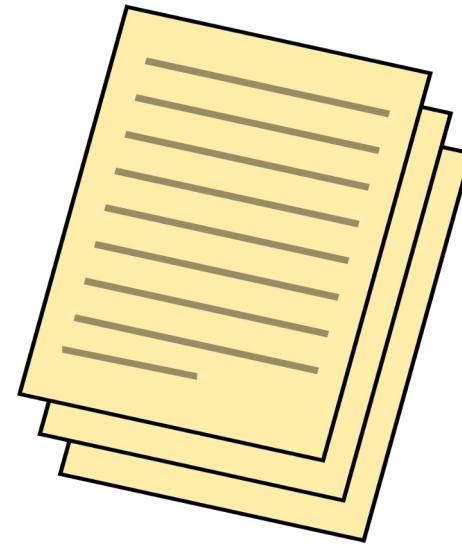
(The Renewable Portfolio Standard (RPS) is a New Hampshire state policy setting a minimum requirement for renewable energy to be provided to customers. RPS requirement for 2023 is 23.4%)

Example of Customer Rates and Optional Products

Example standard service product and optional rates that could be offered to customers:

	Standard Service	Optional Products		
		Basic Service	Green Start	Prime
Attributes	???	???	???	???
Price	???	???	???	???

We really cannot put forward anything here as there is no track record of other community power agencies having succeeded in doing this. We would simply be guessing at this point ...



5. Possible Warrant Articles

Why not a Petition Warrant Article?

- ⚡ RSA 53-E is worded in such a way as to preclude use of a petition warrant article in standing up a community power agency.

“RSA 53-E:7 Aggregation Program. –

1. *The governing body of a municipality or county may submit to its legislative body for adoption a final plan for an aggregation program or any revision to include an opt-out aggregation program, to be approved by a majority of those present and voting.* [Emphasis added]

- ⚡ The “governing body” in Hudson is the Board of Selectmen while the “legislative body” is you – the voters.

Initially Proposed Warrant Article

“To see if the Town will vote to adopt the Hudson Community Power Electric Aggregation Plan which authorizes the Selectmen to develop and implement Hudson Community Power as described therein (pursuant to RSA 53-E:7).”

⚡ Tax impact: None

⚡ Selectmen vote: TBD

New Possible “Opt-out” Warrant Article

“To see if the Town will vote to adopt the Hudson Electric Aggregation Plan, finalized **TBD** by the Hudson Electric Aggregation Committee, and to further authorize the Board of Selectmen to develop and implement Hudson Community Power, and to take all action in furtherance of, the Hudson Electric Aggregation Plan, pursuant to RSA 53-E. The Electric Aggregation Plan includes a more flexible electricity procurement mechanism than NH utilities and thus is expected to provide lower electricity rates. Additionally, the Plan will provide access to innovative energy initiatives and offerings as they are developed. The Hudson Electric Aggregation Plan **includes an Opt-out enrollment mechanism**. All residential electricity customers will receive a mailing at least 30 days prior to launch that they will be enrolled in the program at a specified electricity rate unless they notify Hudson Community Power (or its designee) that they will Opt-out of the program. Note that the program will not launch unless the initial electricity rate is equal to or less than the default utility electricity rate.”

⚡ Tax impact: None

⚡ Selectmen vote: TBD

New Possible “Opt-in” Warrant Article

“To see if the Town will vote to adopt the Hudson Electric Aggregation Plan, finalized **TBD** by the Hudson Electric Aggregation Committee, and to further authorize the Board of Selectmen to develop and implement Hudson Community Power, and to take all action in furtherance of, the Hudson Electric Aggregation Plan, pursuant to RSA 53-E. The Electric Aggregation Plan includes a more flexible electricity procurement mechanism than NH utilities and thus is expected to provide lower electricity rates. Additionally, the Plan will provide access to innovative energy initiatives and offerings as they are developed. The Hudson Electric Aggregation Plan **includes an Opt-in enrollment mechanism**. Residential electricity customers will need to contact Hudson Community Power (or its designee) to enroll into the program. Note that the program will not launch unless the initial electricity rate is equal to or less than the default utility electricity rate.”

⚡ Tax impact: None

⚡ Selectmen vote: TBD

New Possible “Two-part” Warrant Articles

⚡ Part 1: [Exact title is TBD]

“To see if the Town will vote to adopt the Hudson Electric Aggregation Plan, finalized **TBD** by the Hudson Electric Aggregation Committee, and to further authorize the Board of Selectmen to develop and implement Hudson Community Power, and to take all action in furtherance of, the Hudson Electric Aggregation Plan, pursuant to RSA 53-E. The Plan includes a more flexible electricity procurement mechanism than NH utilities and thus is expected to provide lower electricity rates. Additionally, the Plan will provide access to innovative energy initiatives and offerings as they are developed. **The enrollment mechanism for the Plan will be determined by warrant article Part 2.** Note that the program will not launch unless the initial electricity rate is equal to or less than the default utility electricity rate.”

⚡ Tax impact: None

⚡ Selectmen vote: TBD

New Possible “Two-part” Warrant Articles

⚡ Part 2: [Exact title is TBD]

“To see if the Town will vote to adopt an **Opt-out enrollment mechanism** for the Hudson Electric Aggregation Plan.

If the Opt-out enrollment mechanism is not approved, residential electricity customers will need to contact Hudson Community Power (or its designee) to enroll into the program.

If the Opt-out enrollment mechanism is approved, all default residential electricity customers will receive a mailing at least 30 days prior to launch that they will be enrolled in the program at a specified electricity rate unless they notify Hudson Community Power (or its designee) that they will Opt-out of the program. Additional mechanisms for opting out will also be provided, such as online, or by calling a customer service number.”

⚡ Tax impact: None

⚡ Selectmen vote: TBD



5. Questions/Comments



THANK FOR YOUR INTEREST!



LEARN MORE AT:

<https://www.hudsonnh.gov/bc-sc/page/heac>

Questions? Comments

HudsonSustainability@gmail.com

NEXT PUBLIC HEARING on 1/17/23