

Hudson Community Power

Electric Aggregation Plan Update

November 22, 2022



Presented by: Hudson Electric Aggregation Committee

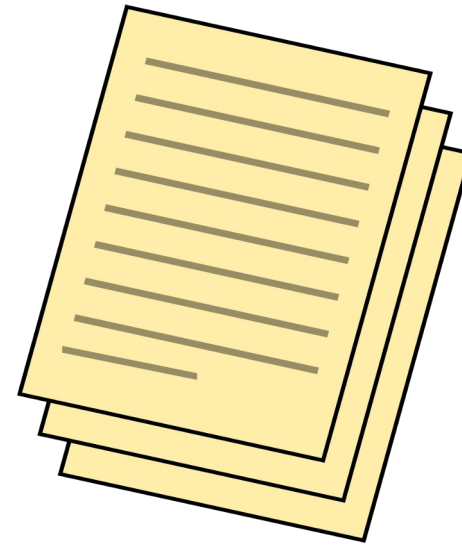
Presented to: Hudson Board of Selectmen

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. Review Current State of Affairs
 - a) HEAC
 - b) CPCNH
2. Results from the 11/15/22 Public Hearing
3. Warrant Article Discussion
4. Questions & Discussion



1a. Review Current State of Affairs (HEAC)

Takeaways from the 10/4/22 Workshop

- ⚡ It was clear from the discussions that most of the Selectmen were uncomfortable with the opt-out nature of the draft Electric Aggregation Plan (EAP).
- ⚡ There were three clear takeaways for the Hudson Electric Aggregation Committee (HEAC) to address:
 1. A desire to better understand demonstrated cost-savings from similar programs in other markets;
 2. More information on the success rates of opt-out vs. opt-in plans; and
 3. A desire to ensure that every effort was taken to engage and inform the public about this potential program.

Takeaways from the 10/4/22 Workshop

#1: A desire to better understand demonstrated cost-savings from similar programs in other markets.

⚡ On 10/5/22 Henry Herndon provided the following to the BOS:

As requested, I am sharing the [results of a study](#) conducted in Massachusetts comparing Community Power rates to Utility Default rates. (Note: In Massachusetts, they call the program "Community Choice Energy" -- it's the same as "Community Power"). The study documents an **average supply rate savings of 12.6% for residential customers** and **11.2% for small commercial customers**.

⚡ We acknowledge that the referenced study is for communities in a different state and so the results are not directly comparable, but the utility involved is still Eversource and so the data should at least be similar.

Takeaways from the 10/4/22 Workshop

#1: (cont.)

- ⚡ A second datapoint is the recent (7/12/22) announcement from Cambridge Community Electricity (CCE). CCE is a City-run program that provides Cambridge, MA residents & business with an alternative to Eversource's Basic Service for electricity supply – so essentially what Hudson Community Power would be doing.

“Cambridge’s 100% Renewable Energy Option Now More Affordable than Eversource Basic Service”

“Over 33,000 households and 4,950 businesses participate in the CCE program. CCE customers have saved over \$15M since the start of the program in 2017.”

Takeaways from the 10/4/22 Workshop

#2: More information on the success rates of opt-out vs. opt-in plans.

- ⚡ I asked Clifton Below if he could supply any data on this subject. His response is on the next slide.
- ⚡ Clifton Below is the Board Chair of Community Power Coalition of New Hampshire. Clifton is the prime author of the Community Power Law (NH RSA 53-E, 2019) and co-authored and sponsored the nation's first Electric Utility Restructuring Act (NH RSA 374-F, 1996). He is also a former NH PUC commissioner, a former NH State Representative & State Senator, and is the Assistant Mayor and a City Councilor in Lebanon, NH.

Takeaways from the 10/4/22 Workshop

#2: (cont.)

“I [can] report that **there are no known cases of a municipal electric aggregation launching on only an opt-in basis**, though there have commonly been opt-in or opt-up options beyond a lower than utility cost basic opt-out service option. **NH’s municipal aggregation law sat dormant and unused for 24 years because it only allowed opt-in launches**, per an amendment to the bill sponsored by then Rep. Jeb Bradley. In 2019, now Sen. Bradley, poised to become the next Republican Senate President, co-sponsored the **bill to enable launching on an opt-out basis due to the historic success of that approach. Opt-out launches typically end up serving 90% to 95% or more of utility default service. Opt-in campaigns by 3rd party suppliers serving residential [customers] have maybe garnered 5% participation.**” [Emphasis added.]

On a related note, NHPR published an article on 11/15/22 entitled “Eversource begins setting new rates, saying it's in an unprecedented position”. In the article it is stated that **about 84% of Eversource’s residential customers are on default energy service**. The specific percentage may be different for Hudson; we’ll have updated data from Eversource on that by 12/15/22.

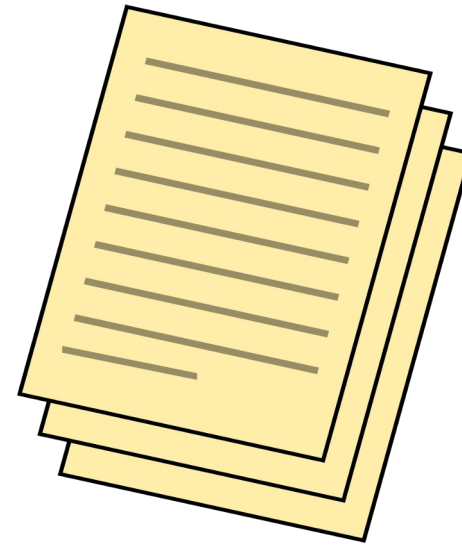
Takeaways from the 10/4/22 Workshop

#3: A desire to ensure that every effort was taken to engage and inform the public about this potential program.

- ⚡ In communications with Hudson government officials after the workshop, I listed several ways the HEAC plans to communicate with town residents about the program. They include:
 - ⚡ The **Get Tech Smart** program on HCTV (to be recorded on 12/5/22)
 - ⚡ Public hearings (11/15/22 completed; 1/17/23 is planned) & information sessions
 - ⚡ Additional HCTV broadcasts & signage in the interstitials (done for the 11/15 hearing)
 - ⚡ Physical signage around town (bulletin boards, etc.)
 - ⚡ Information booths at town events (Old Home Days was done this past summer)
 - ⚡ Presenting to organizations such as: Rotary, Lions, VFW, Senior Center, etc.
- ⚡ As of 11/17/22, CPCNH has contracted with a Public Engagement Consultant, Sam Evans Brown of Clean Energy NH (and formerly NHPR), who will support Hudson public engagement planning / outreach

After the 10/4/22 Workshop

- ⚡ On 10/21/22 in response to a query by me regarding public noticing for the planned 11/15/22 public hearing, the HEAC was asked to stop preparations for that event.
- ⚡ After some additional email communication, it became apparent that there was the impression that the HEAC intended to conduct the planned hearing under the guise of the Board of Selectmen – which was not the case.
- ⚡ The issue was resolved by clarifying that the 11/15/22 hearing would be sponsored by the Sustainability Committee – and advertising it as such.
- ⚡ The HEAC then put back into place plans to advertise the hearing. Other public outreach efforts (such as recording a Get Tech Smart show) were rescheduled.
- ⚡ Given the number of attendees at the 11/15/22 public hearing (14), it appears even the curtailed outreach that we did was successful.



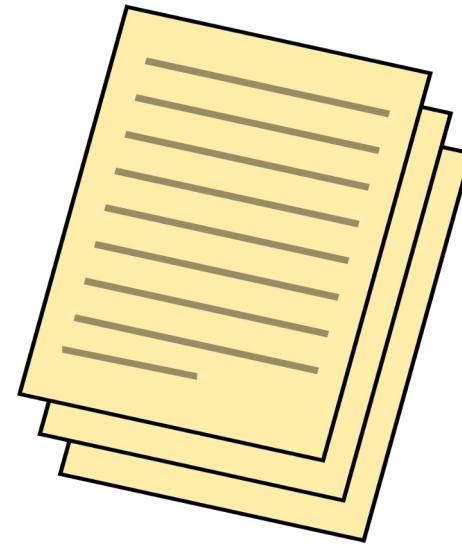
1b. Review Current State of Affairs (CPCNH)

CPCNH Update

- ⚡ CPCNH continues to grow. The member count is now up to 22 municipalities and one county. 30+ additional communities have expressed interest in joining.
- ⚡ A substantial effort is underway to prepare, review, and vote on four important documents:
 - ⚡ Cost Sharing Agreement
 - ⚡ Energy Portfolio Risk Management Policy
 - ⚡ Rate Setting Policy
 - ⚡ Financial Reserve Policy
- ⚡ These policies would affect Hudson only if:
 - ⚡ HCP comes into existence (e.g., a warrant article is approved, and the BOS decides to stand up HCP), and
 - ⚡ The BOS decides that HCP should partner with CPCNH for power procurement and related services.

- ★ 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

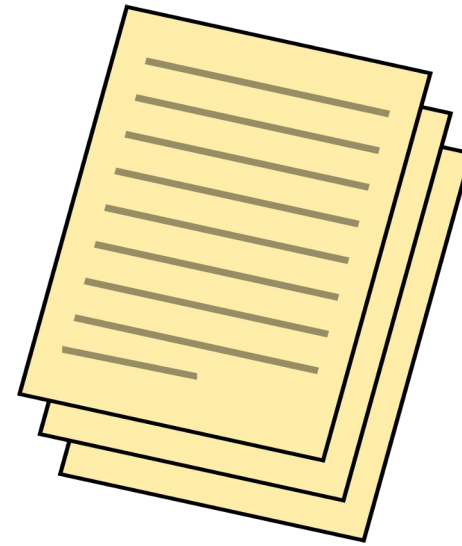




2. Results from the November 15 Public Hearing

Results from the 11/15/22 Public Hearing

- ⚡ Strong turnout for the hearing; 14 members of the public attended.
- ⚡ Several clarifying questions were asked and answered as the presentation progressed. For example:
 - ⚡ Is it really zero tax impact or not?
 - ⚡ How would billing be handled?
 - ⚡ What effect would this have on those that have installed solar panels, e.g., on net-metering?
- ⚡ **Overall, the draft Electric Aggregation Plan was well-received.**



3. Warrant Article Discussion

Warrant Article Discussion

- ⚡ Most of the discussion at the end of the hearing was focused on the proposed variations of warrant articles.
- ⚡ The consensus seemed to be:
 - ⚡ Do not attempt to use the linked/chained warrant articles – it's too confusing.
 - ⚡ Keep the text as simple as you can, but as informative as you can.
 - ⚡ Stick to just asking if the EAP can be approved as it is in the current draft – using the opt-out enrollment mechanism.
- ⚡ **Bottom line: Attendees expressed support and encouragement to proceed with the single “opt-out” warrant article with concise explanation of the program. No one expressed any reservations about presenting an opt-out-based enrollment plan at Town Meeting.**

Suggested “Opt-out” Warrant Article

“To see if the Town will vote to adopt the Hudson Community Power Plan, finalized [INSERT DATE] 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 thereof, pursuant to RSA 53-E. The Community Power Plan offers 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 Community Power Plan includes an Opt-out enrollment mechanism. At least 30 days before program launch all electric customers will be mailed notifications that will include the initial fixed rate for Hudson Community Power service compared with the Eversource supply rate. Customers currently on default energy service provided by Eversource will be able to decline participation in Hudson Community Power at any time by a return postcard, online, or by calling a customer service number. Note that the program will not launch unless the electricity rate is equal to or less than the default utility electricity rate.”

Tax Impact: None

Governing Body Vote: [INSERT]

Suggested “Opt-out” Warrant Article (edited)

“To see if the Town will vote to adopt the Hudson Community Power Plan, finalized [INSERT DATE] 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 thereof, pursuant to RSA 53-E. The Community Power Plan offers 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 Community Power Plan includes an Opt-out enrollment mechanism. At least 30 days before program launch all electric customers will be mailed notifications that will include the initial fixed rate for Hudson Community Power service compared with the Eversource supply rate. Customers currently on default energy service provided by Eversource will be able to decline participation in Hudson Community Power at any time by a return postcard, online, or by calling a customer service number. **Customers currently using a competitive electricity supplier will not be affected.** Note that the program will not launch unless the electricity rate is equal to or less than the default utility electricity rate.”

Tax Impact: None

Governing Body Vote: [INSERT]



5. Questions/Comments



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 rates	Higher or competitive w/ default utility rate	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%)