

Hudson Community Power

Public Hearing: Electric Aggregation Plan

January 17, 2023



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. Warrant Article
6. Questions & Discussion



REUTERS

4 minute read · November 2, 2022 4:18 PM EDT · Last Updated 6 days ago

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.

Empowering Local Leadership on Energy Projects & Policy

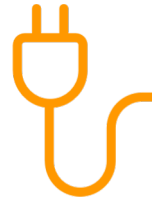
Community Power...

- ⚡ 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



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



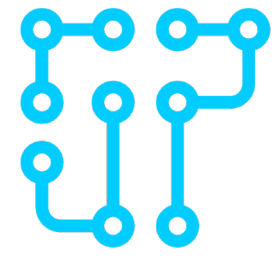
Lower Costs

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

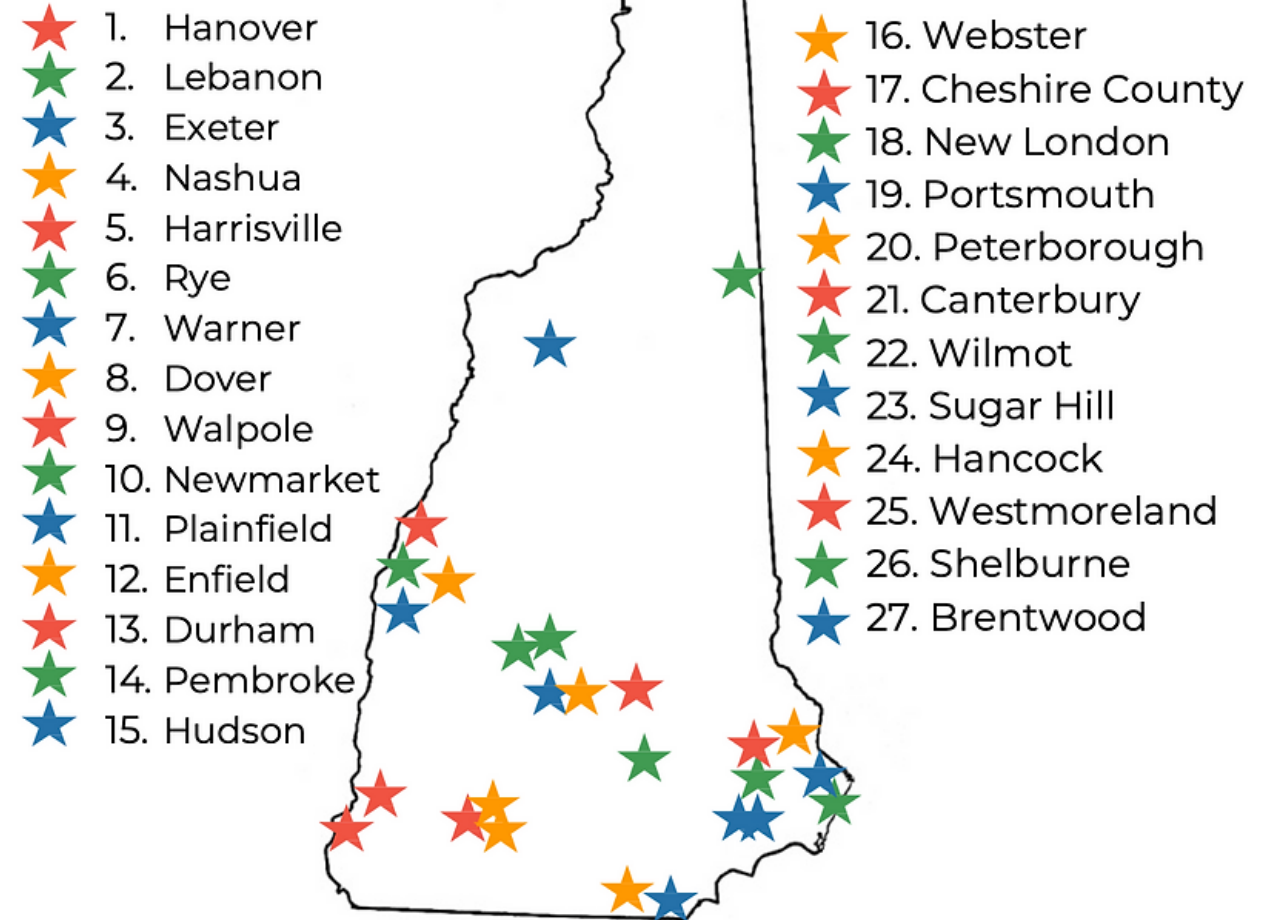
⚡ Community-governed not-for-profit Joint Power Agency formed on 10/1/21

⚡ **27 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:

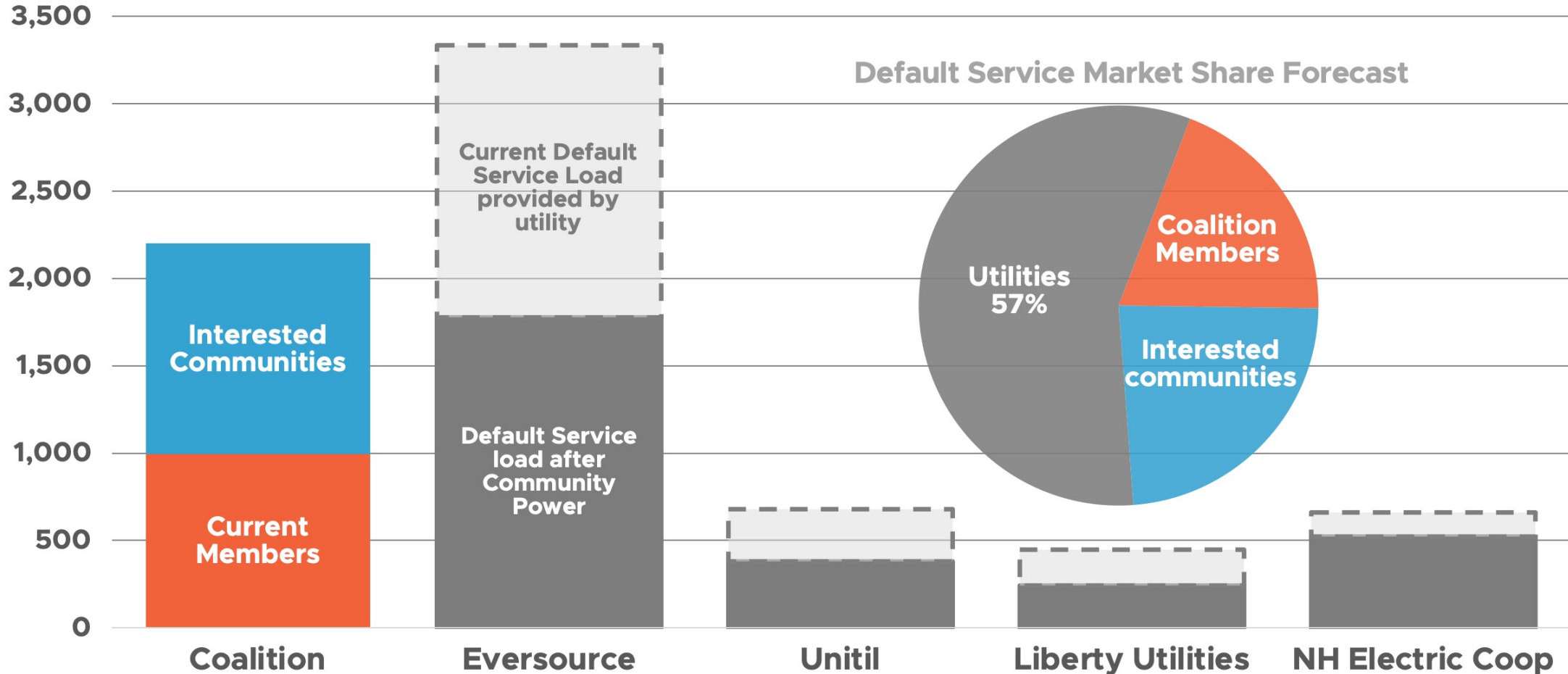
- Spring 2023 for 12 Members
- Spring 2024 for 8 Members



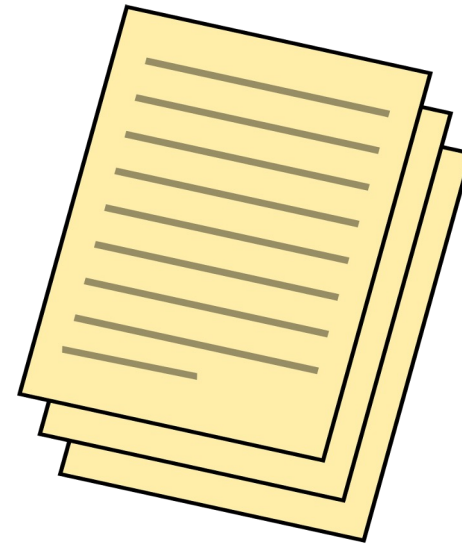
Economy of Scale



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



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



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

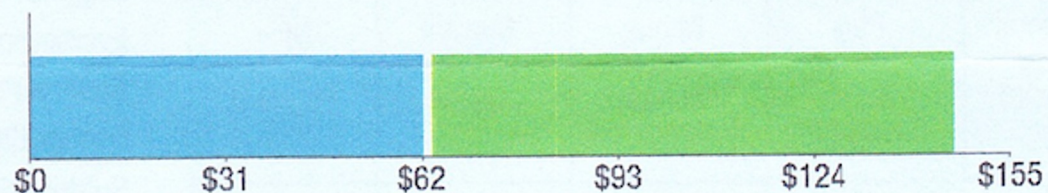
\$62.31

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]

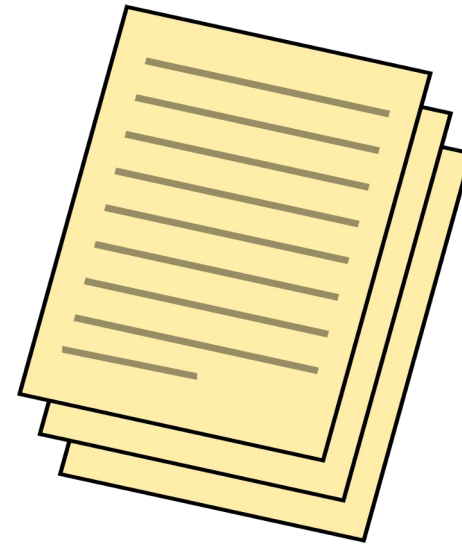
Customer Chrg		\$13.81
kWh Distribution Chrg	706.00kWh X \$0.05177	\$36.55
Regulatory Reconciliation Adj	706.00kWh X \$-0.00016	-\$0.11
Transmission Chrg	706.00kWh X \$0.03046	\$21.50
Strnded Cst Recovery Chrg	706.00kWh X \$0.00896	\$6.33
System Benefits Chrg	706.00kWh X \$0.00743	\$5.25
Subtotal Delivery 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/53097/eap_13_hudson_community_power_1_12_23_with_8jan2023_techrev_clean.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.

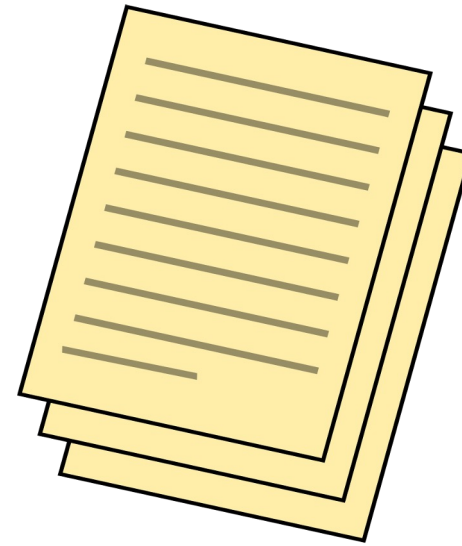
Electric Aggregation Plan Overview

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?

- ⚡ You may be aware that there is some concern over this being 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...

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.

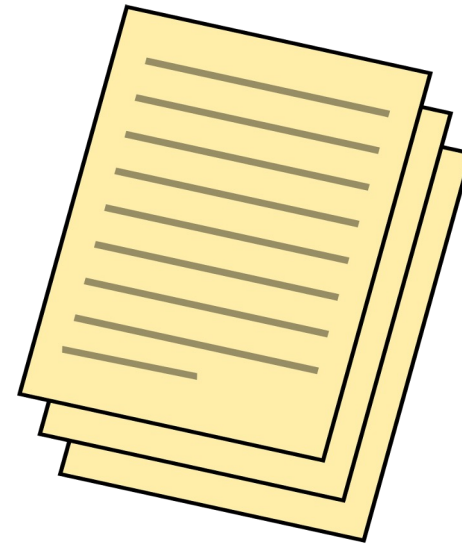
Example of Customer Rates and Optional Products

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

	Granite Basic (automatic enrollment)	Optional Products		
		Granite Plus (opt-up +)	Clean 50% (opt-up +)	Clean 100% (opt-up +)
Attributes	Meets Renewable Portfolio Standard† (23.4% for 2023)	~33% Renewable Or Carbon Free	~50% Renewable Or Carbon Free	~100% Renewable Or Carbon Free
Price Goal‡	<u>Must be</u> below default utility rate at launch	Below default utility rate	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.

‡ The goal is always to have the lowest possible price for the given amount of renewable energy. The price descriptions are possible outcomes; actual prices will be determined and published 30 days in advance of any rate change.



5. Warrant Article

Approved Warrant Article Text

To see if the Town will vote to adopt the Hudson Community Power plan, to authorize the Board of Selectmen to implement the plan, and to take all action in furtherance thereof, pursuant to RSA 53-E. The Hudson Community Power plan is an opt-out program that offers more flexible electricity procurement. The plan will initially provide lower electricity rates for residents, or it will not launch. Initial participation in the plan can be declined, after which enrollment becomes voluntary.

Tax Impact: None

Governing Body Vote: 5 - 0



5. Questions/Comments





THANK FOR YOUR INTEREST!

LEARN MORE AT:

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

Questions? Comments

HudsonSustainability@gmail.com

DELIBERATIVE SESSION on 2/4/23