

Harrisville Community Power Electric Aggregation Plan (v2.0)

January 28, 2021

The Electric Aggregation Committee thanks
the Harrisville Select Board for its support for this initiative

Table of Contents

Introduction

1. Overview of Harrisville Community Power	1
1a. Purpose of this Electric Aggregation Plan	1
1b. Public Approval Process and Next Steps	2
2. Harrisville Community Power Goals and Objectives	2
3. Harrisville Community Power Implementation Guidelines	3
3a. Organizational Structure of the Program	3
3b. Methods of Entering Into and Terminating Agreements	3
3c. Operation and Funding	4
3d. Rate Setting, Costs, Enrollment Process, and Options	4
3e. Rights and Responsibilities of Program Participants	6
3f. Net Metering and Group Net Metering Policies	7
3g. Ensuring Discounts for Electric Assistance Program Participants	8
3h. Termination of the Program	9

Tables

1. Customers Eligible for Automatic Enrollment (“Opt-out”)	6
2. Customers Eligible for Voluntary Enrollment (“Opt-in”)	6
3. Multi-Tier Rate Plan Illustration	13
4. Net Energy Metering Credit on Net Monthly Exports to Grid	15

Attachments

1. Legislative Background and Local Control Authorities	10
2. Public Planning Process to Develop the Community Power Electric Aggregation Plan for Town Meeting 2021	11
3. <i>Harrisville Master Plan</i> (excerpts, pp 25-56)	12
4. Rate Options and Financial Reserves	13
5. Eversource Net Energy Metering Overview	15

Introduction

Harrisville Community Power is a program to provide electric power supply and services for residents, businesses, and other entities in Harrisville's jurisdiction, made possible by legislation passed last year. (Refer to Attachment 1 for more detail about the legislation.)

The Electric Aggregation Committee was tasked by the Select Board to research and evaluate the new legislation. We recommend the Town adopt Community Power. This Electric Aggregation Plan sets forth goals, implementation and management principles, and requirements for the program for consideration at Town Meeting, May 22, 2021.

To ensure the successful launch and operation of Harrisville Community Power, the Select Board will contract with qualified vendors to provide the services required to operate the program and with one or more credit-worthy suppliers to provide electricity.

The program operates on a competitive basis, and is self-funded through revenues generated by participating customers — the Town will not need to raise taxes to pay for it.

Harrisville Community Power is well aligned with the objectives of the Town's *Master Plan* in areas of Economic Development, Infrastructure, and Energy. The program's goals are:

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

If voters approve this Electric Aggregation Plan at Town Meeting:

- Eversource continues its job to deliver electricity to customers, and own and operate the local distribution system (poles, wires, transformers, sub-stations, etc.).
- The Select Board, with advisory support from the Electric Aggregation Committee, will be authorized to contract for the necessary professional services and power supplies to launch Harrisville Community Power; and,
- Participation in Community Power is completely voluntary: after the electricity rates are established, all customers not already on competitive supply will be notified and automatically enrolled, unless they choose to stay with Eversource for electricity supply, and customers on competitive supply may choose to opt-in.

The Electric Aggregation Committee developed this plan with public input and based on its research started in May 2020 — getting under the hood of the utility industry, consulting with experts on the particulars of the legislation, interviewing vendor candidates, and speaking with town representatives throughout the state and countries, all on similar tracks.

Thank you for considering this, we welcome and encourage continuing the dialogue with you,

Harrisville Electric Aggregation Committee, January 28, 2021

1. Overview of Harrisville Community Power

Harrisville Community Power is a new program to provide electricity to residents, businesses, and other entities on a competitive basis. Under the program:

- Harrisville Community Power, once operational, will serve as the default electricity supplier within the Town's boundaries and be self-funded through revenues received by participating customers (the Town will not need to raise taxes to pay for it).
- Eversource, the electric distribution company that owns and operates the local distribution system in Harrisville (poles, wires, transformers, substations, etc.), will continue to deliver electricity to customers.
- Harrisville's Select Board, in coordination with advisory support from the Harrisville Electric Aggregation Committee, will be authorized to:

1. Contract for the necessary services and power supplies on behalf of participating customers;
2. Set rates for participating customers and make other decisions regarding the program; and
3. Collaborate with other municipalities to avoid duplicative costs and enhance consumer protections.

- All customers in Harrisville will be notified and will choose to opt-in or opt-out of participating in the program, as described below:

1. Customers currently on default service provided by Eversource will be notified, provided the opportunity to decline participation, and thereafter transferred to Harrisville Community Power if they do not opt-out.

Customer notifications will: include the initial fixed rate for the program's default service compared with the Eversource rate, be mailed to customers at least 30 days in advance of program launch, and provide instructions for customers to decline participation (for example, by calling a phone number or using a web portal).

2. Customers already served by Competitive Electric Power Suppliers will be notified and provided the opportunity to opt-in to the program;
3. New customers will automatically be enrolled onto Harrisville Community Power's default service, unless they choose to take service from Eversource or a Competitive Electric Power Supplier; and
4. All customers remain free, at any time, to choose whether to take service from Harrisville Community Power, Eversource, or a Competitive Electric Power Supplier.

1a. Purpose of this Electric Aggregation Plan

This Electric Aggregation Plan sets forth Harrisville's policy goals for its Community Power program in alignment with the Town's *Master Plan*, details Harrisville Community Power's program design and implementation processes, and commits Harrisville Community Power to comply with applicable statute and regulation in terms of:

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

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

1b. Public Approval Process and Next Steps

This Electric Aggregation Plan was developed by Harrisville's Electric Aggregation Committee with due input from the public, as required under RSA 53-E. (Refer to Attachment 2 for a summary of the development process.)

The Electric Aggregation Committee has determined that this Electric Aggregation Plan satisfies applicable statutory requirements and is in the best, long-term interest of Harrisville and residents, businesses, and other ratepayers. As such, the Select Board may now submit this Electric Aggregation Plan for consideration by voters at Town Meeting.

Adoption of this Plan at Town Meeting, by majority approval of those present and voting, establishes Harrisville Community Power as an approved aggregation with statutory authorities defined under RSA 53-E:3 (to be exercised with due oversight and local governance, as described herein).

Regulations governing Community Power are currently being developed by the Public Utilities Commission. The anticipated rules will likely require the Town to submit the approved Electric Aggregation Plan to the Commission in order to:

- Formally notify the Commission that the Town is planning to launch a Community Power program; and
- Authorize the Town to request access to additional customer data from Eversource that will be needed for program implementation and administration.

Future decisions regarding how to implement and manage Harrisville Community Power will be made by the Select Board, in coordination with advisory support from the Harrisville Electric Aggregation Committee, at duly noticed public meetings.

2. Harrisville Community Power Goals and Objectives

Harrisville Community Power affords the Town the capacity and flexibility to realize and build on *Master Plan* goals pertaining to Economic Development, Infrastructure and Energy. (Refer to Attachment 3 for excerpts from the *Master Plan*.)

To leverage the Community Power legislation in support of these goals, the program will be guided by the following objectives:

- **Competitive Rates:** Harrisville Community Power will only launch if it is able to initially offer default rates that are lower than or competitive with those offered by Eversource, and will additionally offer optional rates with higher levels of carbon-free and/or renewable energy;
- **Fiscal Stability & Financial Reserves:** Harrisville Community Power will adopt an Energy Risk Management Policy and deposit a portion of revenues into a reserve fund to ensure that the program remains able to offer competitive rates as market prices fluctuate over time — and is therefore able to achieve Harrisville's longer-term policy goals (such as the development of local energy resources and programs);
- **Enhanced consumer protections:** Harrisville Community Power will ensure that the contracts entered into on behalf of customers are fair, and will seek to represent the interests of Harrisville and the program's customers at the legislature and utility regulatory commission on matters pertaining to Community Power and ratepayer protection;
- **Community Resilience:** Harrisville Community Power will support customers in adopting new clean energy technologies and reducing their energy consumption, support training and education programs, and pursue longer-term projects such as building back-up power supplies, electric vehicle charging infrastructure and community microgrids; and

- **Cleaner Power:** Harrisville Community Power will prioritize the development of cost-effective projects to supply an affordable energy portfolio that prioritizes the use of local renewable energy.

Harrisville Community Power, in its capacity as the default electricity supplier for the Town, will be positioned to support these goals through strategic initiatives such as:

- Partnering with nearby towns to contract for cost-effective local renewable generation and storage projects, regional electric vehicle charging networks, and other clean energy infrastructure developments;
- Incentivizing customers, through innovative rate structures and local programs, to adopt technologies that reduce peak loads (by using power at times when it is cheaper, often when renewables are generating, and thus reducing the cost and carbon content of power overall); and
- Joining with other Community Power programs to advocate for regulations and laws that enhance consumer protections, support grid modernization and the development of competitive markets, and remove barriers to the intelligent use of new clean technologies.

Through initiatives like these, Harrisville Community Power will reduce fossil fuel consumption, enhance the reliability of our electricity grid, and attract and support local businesses — areas that the Town’s Master Plan considers essential to its continued success as a vital, sustainable community.

3. Harrisville Community Power Implementation Guidelines

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

- a. Organizational structure of the program;
- b. Methods of entering into and terminating agreements;
- c. Operation and funding;
- d. Rate setting, costs, and customer enrollment process;
- e. Rights and responsibilities of program participants;
- f. Net metering and group net metering policies;
- g. Ensuring discounts for Electric Assistance Program participants; and,
- h. Termination of program.

3a. Organizational Structure of the Program

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

The Select Board will oversee the program and has overall governance authority. Decisions regarding Harrisville Community Power, such as the adoption of an Energy Risk Management Policy and approval of rates, will be made at duly noticed public meetings.

Additionally, and within parameters set by the Select Board, the Electric Aggregation Committee will provide advisory support to the Select Board and may hold regular and ad-hoc meetings to assess program performance, discuss how to evolve the services and products offered to customers, and otherwise address any issues that warrant attention.

3b. Methods of Entering Into and Terminating Agreements

This Electric Aggregation Plan authorizes the Select Board to negotiate, enter into and terminate agreements as necessary for the implementation and operation of Harrisville Community Power.

3c. Operation and Funding

To ensure the successful launch and operation of Harrisville Community Power, the Select Board will contract with qualified vendors to provide the services required to operate the program and with one or more credit-worthy suppliers to provide electricity.

These third-party entities are expected to fund the upfront cost of implementing the program, the expense of which will be amortized and recovered in the program's rates and charges to participating customers. The program may also seek opportunities to apply for grant funding.

Services provided by third-party entities required to launch and operate the program include wholesale risk management advisory services, wholesale load serving entity services, financial services, electronic data interchange with the utility, customer data management and billing services, customer notification and relationship management (e.g. call center, website, etc.) services, and additional support services such as: management and planning, budgeting and rate setting, local project development support, regulatory compliance, and legislative and regulatory engagement services (on matters that could impact the program and participating customers).

The Select Board may issue one or more competitive solicitations for and contract directly with third parties for the necessary services and electricity supply contracts. The Electric Aggregation Committee interviewed two commercial brokers, which traditionally assist clients in procuring electricity from wholesale suppliers, and which are now offering certain Community Power program management services in New Hampshire.

The Select Board may also choose to contract for services and power supplies jointly, working with other Community Power programs as allowed for under RSA 53-E:3. Such collaborative initiatives are common in the cooperative and public power industry, and provide an advantageous economy-of-scale for participating municipalities while avoiding duplicative overhead costs.

With that in mind, the Committee interviewed and worked with a group of municipalities that formed a joint action agency to implement and launch Community Power programs across New Hampshire. It will operate on a nonprofit basis, be governed by participating Community Power municipalities, and will contract for expert services, provide joint regulatory engagement, and facilitate joint power procurement and project development through a voluntary and flexible membership and cost-sharing structure for participating municipalities.

The commercial brokers and the joint action agency will present differing options and cost structure and are not mutually exclusive. For example, Harrisville Community Power may join as a member of the joint action agency to contract for certain services jointly, and contract with a commercial broker for other services directly.

Additionally, SB 286 provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Harrisville Community Power with the practical ability to help customers adopt and use innovative technologies (e.g. intelligent thermostats, backup battery storage systems, controllable electric vehicle chargers, etc.) in ways that save money, enhance grid resiliency and decarbonize our power supply. However, the implementation of these authorities is expected to take some time, as it requires action by the Public Utilities Commission to adopt enabling rules and coordination with Eversource to adapt existing meter and billing system processes.

The Select Board will determine how best to implement and operate Harrisville Community Power, taking into consideration the profile, qualifications, and capacity of these third parties to achieve the full benefits and program goals and objectives as set forth in this Electric Aggregation Plan.

3d. Rate Setting, Costs, Enrollment Process, and Options

The Select Board will adopt an Energy Risk Management Policy and Financial Reserve Policy to govern the program's power procurement and rate-setting decisions.

Rates will be set at a level such that revenues from participating customers are projected to be sufficient to cover ongoing operating and capital costs of the program. Changes to the program's default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.

Harrisville Community Power will only launch if it is able to offer default rates that are initially lower than or competitive with those offered by Eversource; thereafter, the program will strive to maintain competitive rates while working to achieve the program's goals as set forth in this Electric Aggregation Plan. (Refer to Attachment 4 for an example of a multi-tier rate.)

To ensure the fiscal stability of Harrisville Community Power, a portion of revenues will be deposited in a financial reserve account and used to:

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

As required by law, the program will set rates that ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements in Eversource's distribution franchise territory. In other words, customers will be treated the same based on their circumstances. For example, any customers that opt-in after being offered the opportunity to participate during the initial enrollment period may be offered rates that reflect how market prices have changed in the intervening period.

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

After approval of this Electric Aggregation Plan and before the launch of Harrisville Community Power, all customers in the Town will be sent notifications regarding the program and offered the opportunity to participate:

- **Customers currently on default service provided by Eversource** will be sent "opt-out" notifications — describing the program, its implications for the Town, the rights and responsibilities of customers, and program rates and charges — with instructions on how to decline participation, and thereafter transferred to Harrisville Community Power if they don't opt-out. Table 1 shows the total number and electricity usage of customers within Harrisville's territory who would receive this "opt-out" notification.
- **Customers already served by Competitive Electric Power Suppliers** will receive "opt-in" notifications describing the program and will be allowed to opt-in to the program. Table 2 shows the total number and electricity usage of customers within Harrisville's territory who would receive this "opt-in" notification.

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

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

After launch, new customers will be provided with the default service rates of Eversource and

Harrisville Community Power, and will automatically be enrolled onto Harrisville Community Power’s default service unless they choose to be served by Eversource or a Competitive Electric Power Supplier.

All customers will remain free, at any time, to choose whether to take service from Harrisville Community Power, Eversource or a Competitive Electric Power Supplier.

Table 1. Customers Eligible for Automatic Enrollment (“Opt-out”) (Served by the default utility service, Eversource, as of July 2020)		
	Customer Count	Annual Usage (MWh)
Municipal	0	0
Residential	657	2798
Commercial & Industrial	90	322
Total	747	3120

Table 2. Customers Eligible for Voluntary Enrollment (“Opt-in”) (Served by non-utility Competitive Electric Power Suppliers, as of July 2020)		
	Customer Count	Annual Usage (MWh)
Municipal	1	60
Residential	144	752
Commercial & Industrial	20	242.5
Total	165	1054.5

Aggregated data shown in Tables 1 and 2 was provided by Eversource in July 2020.

3e. Rights and Responsibilities of Program Participants

Residents, businesses, and other electricity customers within Harrisville’s jurisdiction may opt- into or opt-out of participating in Harrisville Community Power at any time, by submitting adequate notice in advance of the next regular meter reading by the distribution utility (in the same manner as if they were on utility provided default service or as approved by the Public Utilities Commission).

Harrisville Community Power shall maintain the confidentiality of individual customer data in compliance with its obligations as a service provider under RSA 363:38 (privacy policies for individual customer data; duties and responsibilities of service providers) and other applicable statutes and PUC rules. Confidential data includes individual customers’ name, service address, billing address, telephone number, account number, payment information, and electricity consumption. This data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors for Harrisville Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b).

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

Harrisville Community Power will not turn off power for non-payment of utility bills. Failure to pay Harrisville Community Power bills may result in a customer being transferred to Eversource (the

regulated electric distribution company, known as provider of last resort) for default energy service, payment collections and shut-offs under procedures subject to oversight by the Public Utilities Commission.

3f. Net Metering and Group Net Metering Policies

Customers with on-site generation eligible for net energy metering (NEM) from Eversource will be offered a NEM rate from Harrisville Community Power.

Net energy metering allows for customers with certain qualified distributed generation to be billed on the basis of their net energy consumption. Customers with rooftop photovoltaic solar systems, for example, often generate more power than they consume during the middle of the day, and more power during the summer than in the winter; under a NEM tariff, such customers may be directly compensated for this excess generation or may be credited such that their surplus generation offsets their consumption over the course of the month or year.

Community Power programs have the statutory authority to “*determine the terms, conditions, and prices under which they agree to provide generation supply to and credit, as an offset to supply, or purchase the generation output exported to the distribution grid from eligible [NEM customers]*”. Furthermore, a new provision of this statute clarified that “*such output shall be accounted for as a reduction to the [Competitive Electric Power Supplier or Community Power program’s] wholesale load obligation for energy supply.*” (RSA 362-A:9, II)

This latest revision went into effect on September 15th, 2020 and was particularly important for Harrisville Community Power. As context:

- While it is intuitive that surplus NEM customer generation would offset (lower) wholesale power purchases, non-utility suppliers were not being appropriately credited for the power produced by customers. Non-utility suppliers were consequently made to pay twice, in two different ways, for the surplus power generated by customers:
 - Non-utility suppliers had to compensate NEM customers for surplus generation in their supply rates and were simultaneously required to purchase the same amount of power from the wholesale market; and
 - For NEM customers on the “alternative” NEM tariff (explained on the next page) non-utility suppliers then also had to purchase additional Renewable Energy Credits to comply with the Renewable Portfolio Standard — based on the amount of surplus power being generated by such customers (but not appropriately credited to the supplier), even though this power was renewable.
- To a large extent, this convoluted situation arose because of the ways in which utilities, including Eversource, were not properly tracking and crediting surplus customer generation back to Competitive Electric Power Suppliers.
- As a consequence, few to no Competitive Electric Power Suppliers have been able to offer competitive NEM rates to-date — and absent this revision, Harrisville Community Power would have found it difficult to do so as well.

Suffice to say, NEM is undergoing significant and necessary revisions due to evolving statutory requirements and PUC proceedings, and the practical capabilities of Eversource’s billing and data management systems to accommodate Competitive Electric Power Suppliers and Community Power programs in offering NEM generation rates to their customers.

Harrisville Community Power’s objective is to fairly compensate participating NEM customers for the generation supply component of the bill, and to have Eversource’s NEM tariff apply to and compensate customers for the utility’s portion of the bill (transmission and distribution).

To the extent that utility systems, business processes and PUC regulations governing provision of net energy metering to Community Power program customers are unresolved, Harrisville Community Power will work with Eversource, the PUC and other Community Power programs to establish enabling rules

and a net energy metering tariff that accomplishes this objective.

Eversource's billing system, in particular, has been set up to process NEM customer credits and payments in accordance with the utility's own NEM tariffs. This may limit ability Harrisville Community Power's ability to offer innovative and cost-effective NEM rates or require such rates to be billed, credited, and accounted for by Harrisville's Community Power's vendor outside of Eversource's billing system.

As context, Eversource manages billing for customers on "standard" and "alternative" NEM rates.

Eversource Standard (or traditional) Net Metering:

- Applies to customers that installed generation prior to September 1, 2017.
- Calculates surplus generation in excess of consumption on a monthly basis;
- Carries forward surplus generation as a kilowatt-hour credit that reduces the customer's usage in future months (i.e., the meter "spins backwards") — and reimburses customers for any credits that remain at the end of the year at a rate set by the PUC (~3-4¢ per kilowatt-hour).

Eversource Alternative Net Metering:

- Applies to customers that installed generation after September 1, 2017.
- Calculates generation in excess of consumption on a monthly basis;
- Provides customers a monetary credit each month that accrues and is periodically paid out over the course of the year.

Refer to Attachment 5 for a more detailed overview of Eversource's current NEM tariffs.

In accordance with these tariffs, Eversource only provides NEM customers that installed generation after September 1, 2017 with "alternative" net metering. One potential risk is that Eversource's billing system may only allow Harrisville Community Power to offer NEM generation rates that are structured in an identical fashion. This would prevent the program from offering different NEM generation rates — including, for example, crediting excess generation in the same way that "standard" net metering used to provide customers, or more dynamic rates and innovative compensation schemes going forward — and could therefore diminish Harrisville Community Power's ability to offer customers the most cost-effective NEM options.

In this event, Harrisville Community Power may seek to contract with vendors capable of billing NEM customers directly, and otherwise capable of incorporating NEM surplus generation impacts into the program's wholesale power purchases and Renewable Portfolio Standard compliance requirements, so that the program is able to offer the most cost-effective NEM rates to customers.

For NEM customers that are not qualified to produce Renewable Energy Credits (RECs), Harrisville Community Power may also seek a vendor that can install the necessary metering and qualify the customer to generate RECs in exchange for receiving some portion of those RECs. Such an arrangement might increase the compensation rate for exports to the grid by such customers.

Regardless, the exact terms, conditions, and rates for compensating or crediting net metered customers, including group net metered hosts and participants, will be set at duly noticed public meetings and fully disclosed to all prospective NEM customers through the opt-out notification process and otherwise.

3g. Ensuring Discounts for Electric Assistance Program Participants

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

Electric Assistance Program discounts are funded by all ratepayers as part of the Systems Benefits Charge, which is charged to customers and collected by the distribution utilities. At present, the Public

Utilities Commission and utilities only support provision of the discount when the customer's electricity supply charges are billed through the utility.

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

In the future, this may be revisited if and when the Public Utilities Commission approves rules that enable the full authorities granted to Community Power programs under SB 286 and enable suppliers such as Harrisville Community Power to provide Electric Assistance Program customers with their discount directly.

3f. Termination of the Program

There is no planned termination date for Harrisville Community Power.

Harrisville Community Power may be terminated by majority approval of those present and voting at Town Meeting. If so terminated, participating customers would be transferred to default service provided by Eversource, unless they elect to take service from a Competitive Electric Power Supplier.

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

Upon termination, the balance of any funds accrued in the program's financial reserve fund and other accounts, if any, would be available for distribution or application as directed by the Select Board and in accordance with any applicable law and regulation.

Attachment 1: Legislative Background and Local Control Authorities

In 1996, New Hampshire led the nation in being the first state to pass an Electric Utility Restructuring Act (RSA 374-F), the purpose of which was to de-monopolize aspects of the power sector to give customers greater choice, lower costs, and enable market innovations. Nearly a quarter century has passed. The competitive market has seen little growth since 2013, and currently serves only one out of every five customers. Consequently, at present:

- The state continues to regulate many aspects of the retail customer market, relying on administrative regulatory proceedings to do so instead of the market framework envisioned under RSA 374-F; and,
- Regulated distribution utilities are relied upon to provide retail customer services (such as default electricity supply, demand response for smaller customers, metering, meter data management, billing and customer care) which are not natural monopolies, and which should therefore be available by competitive means.

Enabling locally controlled Community Power Aggregations to exercise more of these authorities is key to animating competitive retail markets and thus realizing a lower-cost, more innovative and sustainable future for our community and state.

For this reason, Senate Bill 286 and RSA 53-E:6 have authorized Community Power to assume control of a suite of responsibilities in order to support the growth of competitive market services in alignment with The Electric Utility Restructuring Act.

The purpose of RSA 53-E is quoted in full below:

“The general court finds it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services.

The general court finds that aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies.

The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.”

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

- The supply of electric power
- Demand side management
- Conservation
- Meter reading
- Customer service

- Other related services
- Operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality's governing body.

RSA 53-E:3-a further states that Community Power Aggregations are “expressly authorized to aggregate other services commonly and regularly billed to customers” and that nothing in the law “shall be deemed to limit” Community Power Aggregations “from combining billing for any or all utility services.”

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

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

Further, Community Power Aggregations “shall not be required to own any utility property or equipment to provide electric power and energy services to its customers.”

Harrisville is committed to exercising the full extent of its local control authorities granted under RSA 53-E, and in so doing, maximizing value creation, innovation, and sustainability for our community and customers.

Attachment 2: Public Planning Process to Develop the Community Power Electric Aggregation Plan for Town Meeting 2021

To develop an Electric Aggregation Plan for residents, businesses, and other entities in Harrisville's jurisdiction, the Harrisville Select Board formed an Electric Aggregation Committee (the Committee) on April 16, 2020. (This was done under the authorities granted to municipalities under Senate Bill 286.)

Members serving on the current Committee are Amy Roberts, Andrea Hodson, Andrew Maneval, Colin Kennard, Doug Gline, Ned Hulbert, Ryan Stone

By law and under RSA 53-E:6, the Committee was responsible for:

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

The Committee organized and started a Community Conversation on September 16, 2020, to inform the larger community about its findings and to solicit public input.

The first topic for discussion was about Community Power. Public input was collected at a Community Conversation meeting held September 21, 2020, and through an online survey to find out whether residents thought Community Power could be a good idea for Harrisville. Local conversations on this topic were ongoing, raised and considered concerns and questions, and indicated enough support to continue developing this initiative.

The Committee then launched its work to research and draft the Community Power Electric Aggregation Plan. This was the second topic for public input.

It created and distributed information about electric aggregation plans, and a discussion draft of this Community Power Electric Aggregation Plan (version 1.0) on November 25, 2020.

Leading up to the first Public Hearing, the Committee broadcast a Community Conversation email; posted videos, resource documents, Q&A, and surveys at a Community Power webpage on the Town's website.

The first of two Public Hearings was noticed and held on December 10, 2020, to discuss and receive input from the community on the first iteration of this Electric Aggregation Plan (v1.0).

The second Public Hearing was scheduled for February 4, 2021, to discuss public inputs and refinements to the Community Power Electric Aggregation Plan that will be presented at Town Meeting. Notice was distributed by newspaper,

flyers, posters, and the Town's website and FaceBook page.

Following the second Public Hearing, the Committee will submit the Community Power Warrant Article to the Select Board for Town Meeting 2021.

The Committee will continue to monitor legislation, keep abreast of developments in the Monadnock area and across the state — and provide information with the invitation to the community to participate in this dialogue is ongoing.

Residents are welcome to join in the Committee's ongoing weekly meetings; schedule a small-group meeting with a member of the team; and/or plan to attend any of the community meetings the Committee may host ahead of Town Meeting.

Self-serve resources and schedule information are posted at the Community Power page of the Town's website.

Attachment 3: *Harrisville Master Plan* (excerpts, pp 25-26)

Energy Conservation (Objectives)

1. Adopt building standards and develop financial incentives programs that promote higher energy efficiency standards in residential dwellings and private energy conservation.
2. Increase energy efficiency in public buildings and realize energy savings in all areas of town government and town operations. Use the tool of energy audits in designing upgrades, and continue to seek and use grants to help finance cost-cutting measures.
3. Promote energy saving in transportation by implementing measures that encourage ride-sharing, public transit, bicycling and walking (see transportation section).
4. Adopt land use regulations that facilitate denser settlement patterns and discourage energy inefficient sprawl (see land use section).

Energy Supply & Energy Generation (Objectives)

1. Seek to substantially increase the reliability of the electric power supply lines (see infrastructure section).
2. Become more self-reliant and less dependent on highly centralized energy systems by complementing large energy suppliers and traditional energy resources with residential and feasible public and commercial generation of renewable local energy.
3. Thoughtful impact studies should be done before any town approval of commercial wind or solar energy systems.

Implementations

Establish a standing energy committee that will be charged with the on-going implementation of the energy section of the *Master Plan*, including the development of specific energy related proposals, activities and standards. This committee will seek out grants and energy savings for the town as well as monitor periodic energy audits.

Energy Conservation

1. Adopt the most current version of an appropriate building code that subscribes to high standards for building insulation, energy efficiency, resource conservation and green building practices. The town will continuously consider emerging innovations and improvement trends in energy conservation in construction.
2. Consider establishing an energy conservation fund that will be used to provide for:
 - a. Energy audit grants for existing residential and commercial buildings.
 - b. Financial awards for new and existing energy-efficient buildings.
 - c. Financial incentives for effective weatherization of existing buildings and for

the installation of energy-efficient features, such as passive solar.

- d. Rebates for the registration and use of energy-efficient vehicles and hybrid cars.
- e. Other measures that promote private energy savings.
3. Engage in energy and resource conservation and promote energy-efficiency in town building and operations through:
 - a. On-going energy audits of all town and school buildings.
 - b. On-going implementation of cost-effective energy efficiency measures and modifications in town buildings.
 - c. Purchase of energy-efficient supplies and equipment, from energy-efficient light bulbs to fuel-efficient vehicles.
 - d. Energy-saving practices and policies in all town operations, such as no-vehicle idling policy.
 - e. On-going improvement and expansion of current recycling, as well as introduction of composting and other measures that further reduce waste.

Energy Supply & Energy Generation

4. Residential Energy Generation: Develop, adopt and fund a financial incentive program for residents to install and/or upgrade domestic renewable energy systems in homes, such as solar hot water heaters, photovoltaic systems, geothermal systems or small wind turbines, to help residents become more self-reliant for their energy needs.
5. Public Energy Generation:
 - a. Conduct long-range studies and planning for potential community-controlled options for local, cost-effective generation of renewable energy, such as small solar and wind farms, and smaller hydro-electric facilities at existing local dams. This includes a town-specific wind assessment that identifies possible sites for wind farms, if any.
 - b. Look into possibilities for future pooled energy acquisition. Join and promote existing energy resource networks like the Monadnock Energy Resource Initiative.
6. Commercial Energy Generation (such as moderately sized wind or solar farms):
 - a. Identify potential methods and sites for future commercial energy generation facilities.
 - b. Examine their potential impacts (views, noise, wildlife) and benefits (tax revenues, discounted energy purchase for residents) to determine if, where and how such commercial projects would be appropriate and beneficial.
 - c. Proactively develop regulations by the Planning Board for potential future commercial energy generation proposals.

Attachment 4: Rate Options and Financial Reserves

The Select Board will work with qualified vendors to draft and adopt an Energy Risk Management Policy and Financial Reserve Policy. Power procurement and rate-setting decisions will be carried out in accordance with these policies and industry standard procedures and practices. This will ensure that Harrisville Community Power allocates revenues in a manner that balances our goals and objectives: competitive rates, fiscal stability, enhanced consumer protections, community resilience programs, and cleaner power supplies.

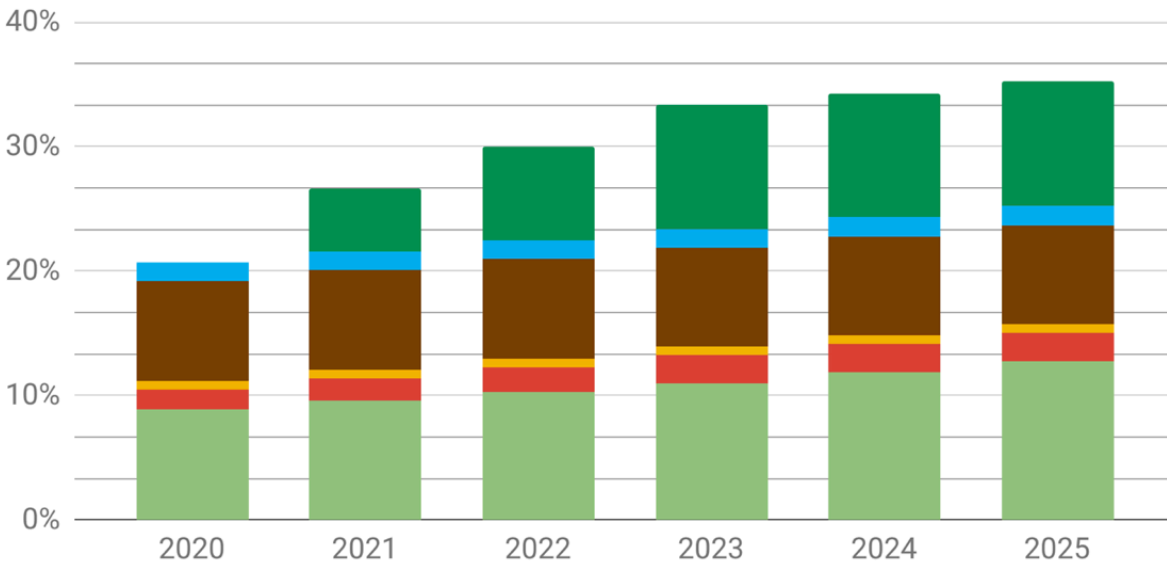
Rate Options. Table 3 provides an illustrative example of a multi-tiered rate structure that would be designed to meet these objectives. Details will be refined and adopted based on consultation from service providers as the program is implemented over time. Again, the program will not launch until certain conditions are met, most notably, securing rates that meet or beat the Eversource default rate at launch.

Table 3: Multi-Tier Rate Plan Illustration (subject to refinement and adoption by the Select Board)		
Products	Product Attributes	Rate Comparison
Default Service <u>1/</u>	5% to 10% above RPS requirements <u>2/</u>	Equal to or lower than Eversource default supply rates at launch
Local Renewable (opt-up)	TBD% of in-state and locally sourced renewables	May be higher than or competitive with Eversource default supply rates
Carbon Free (opt-up) <u>3/</u>	100% carbon free power	Higher than Eversource default supply rates
1. Customers would be enrolled in the “Default Service” product and could elect to switch to the Carbon Free or Local Renewable product — or back to the Default Service product — at any time. 2. In 2021, Eversource is required to include 21.6% renewable energy in their energy supply. This will increase incrementally to 25.2% by 2025 and remain fixed thereafter absent an increase in the RPS 3. Carbon-free includes wind, solar, hydro, and nuclear energy sources.		
Notes Any resident or business may elect to opt out of the Community Power Plan at any time and remain with the default utility service (Eversource) or chose to take service from a Competitive Electric Power Supplier (CEPS). For reference, the default supply rate charged by Eversource for Rate “R” (Residential Standard Service) is 6.627 cents per kWh (as of mid-January 2021).		

Note that Harrisville Community Power’s Default Product would offer additional renewables in excess of New Hampshire’s Renewable Portfolio Standard requirements, as shown in the following chart:

Renewable Portfolio Standard Requirements + Voluntary Purchases

■ Harrisville Default (Voluntary)
 ■ RPS Class IV (Existing Small Hydro)
 ■ RPS Class III (Existing Biomass/Methane)
 ■ RPS Class II (Solar)
 ■ RPS Class I (Thermal)
 ■ RPS Class I (Non-Thermal)



Financial Reserve Fund. A portion of rate revenues will be deposited into a reserve fund to ensure that Harrisville Community Power remains able to offer competitive default rates as market prices fluctuate over time — and is therefore able to achieve Harrisville’s longer-term policy goals such as the development of local energy resources and programs.

This allows the program to plan for contingencies (such as power supply shocks, economic downturns and regulatory changes), maintain cashflow and stable rates in these situations, and begin to lower the cost of the program and rates overall by, for example, self-providing collateral in exchange for lower risk premiums priced into power purchases.

The Reserve Fund Policy will specify minimum and maximum balances, and contribution targets over time. For example:

- Harrisville Community Power may set a target of accruing a minimum reserve balance equal to 8% (30 days) of the program’s operating budget over the first two years of operations, with a goal of increasing the reserve to 25% of operating revenues (90 days) within five years.
- For the sake of illustration, meeting these targets would require depositing 0.3 cents per kilowatt-hour of revenues into the reserve fund — which would accrue ~\$12,500 each year and ~\$60,000 over 5 years — assuming Eversource’s current residential rate of 6.627 per kilowatt-hour as the average “price to beat” and a total aggregated amount of electricity consumed by the program’s customers of 4,177,400 kilowatt-hours a year (according to data provided by Eversource).

Details will be refined and adopted in consultation from service providers prior to program launch.

When the reserve fund exceeds the level required to ensure Harrisville Community Power’s fiscal stability, the Select Board may approve to use the excess funds to finance programs, offset other long-term liabilities, and reduce rates or for other strategic purposes.

Local projects discussed by the Committee with the public have thus far includes options such as making a portion of these funds available for —

- Town residents may apply for weatherization funds to tighten their home insulation and reduce their energy use;
- Training for local trades persons to learn how to install and service energy efficient appliances or renewable energy units (solar, wind, hydro, battery, smart meters, etc.); and/or
- Town municipal renewable energy investments to weatherize municipal buildings; upgrade existing renewable energy assets; and/or develop new renewable energy assets for example.

Attachment 5: Eversource Net Energy Metering Overview

Tables 4a and 4b summarize Eversource’s “standard” and “alternative” net energy metering (NEM) tariff, as approved by the PUC, for small and large customer generators. Note that NEM customers switching to Harrisville Community Power will only see a change in the Default Energy Service component of their rate (highlighted below) and may be offered different credit mechanism options for this component; Eversource will continue to credit the customer directly for all other components listed below.

Table 4a: Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid Tariff for SMALL Customer-Generators ≤ 100 Kilowatts (kW)		
Bill Component	Standard NEM (in effect prior to 9/1/2017)	Alternative NEM (effective 9/1/2017)
Customer Charge	No	No
Distribution Demand Charge (if applicable)	No	No
Distribution (volumetric charges based on kWh)	Full Credit in kWh	25% Credit in \$
Transmission (volumetric charges based on kWh)	Full Credit in kWh	Full Credit in \$
Eversource provided Default Energy Service (volumetric charges based on kWh)	Full Credit in kWh	Full Credit in \$
System Benefits, Stranded Cost, Storm Recovery (volumetric charges based on kWh)	Full Credit in kWh	No Credit: these charges are applied to all kWh imports. No credit for exported kWh
Credit Mechanism (end of each billing cycle)	Net kWh Carried Forward. Credits accumulated year over year can be refunded at a rate calculated by the PUC (~3-4¢/ kWh)	kWh converted to monetary credit. Monetary credit carried forward as a bill credit or refundable

Table 4b: Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid Tariff for LARGE Customer-Generators > 100 Kilowatts (kW) and up to 1 MW		
Bill Component	Standard NEM (in effect prior to 9/1/2017)	Alternative NEM (effective 9/1/2017)
Customer Charge	No	No
Distribution Demand Charge (in kW, applicable to larger C&I)	No	No
Distribution, Transmission, System Benefits, Stranded Cost, Storm Recovery (volumetric charges based on kWh)	No Credit	No Credit
Eversource provided Default Energy Service (volumetric charges based on kWh)	Full Credit in kWh	Full Credit in \$
Credit Mechanism (end of each billing cycle)	Net kWh Carried Forward Credits accumulated year over year can be refunded at a rate calculated by the PUC (~3-4¢/ kWh)	kWh converted to monetary credit. Monetary credit carried forward as a bill credit or refundable.