Enfield Community Power

Electric Aggregation Plan

March 24, 2022

Approved by the Enfield voters at Town Meeting on April 30, 2022.

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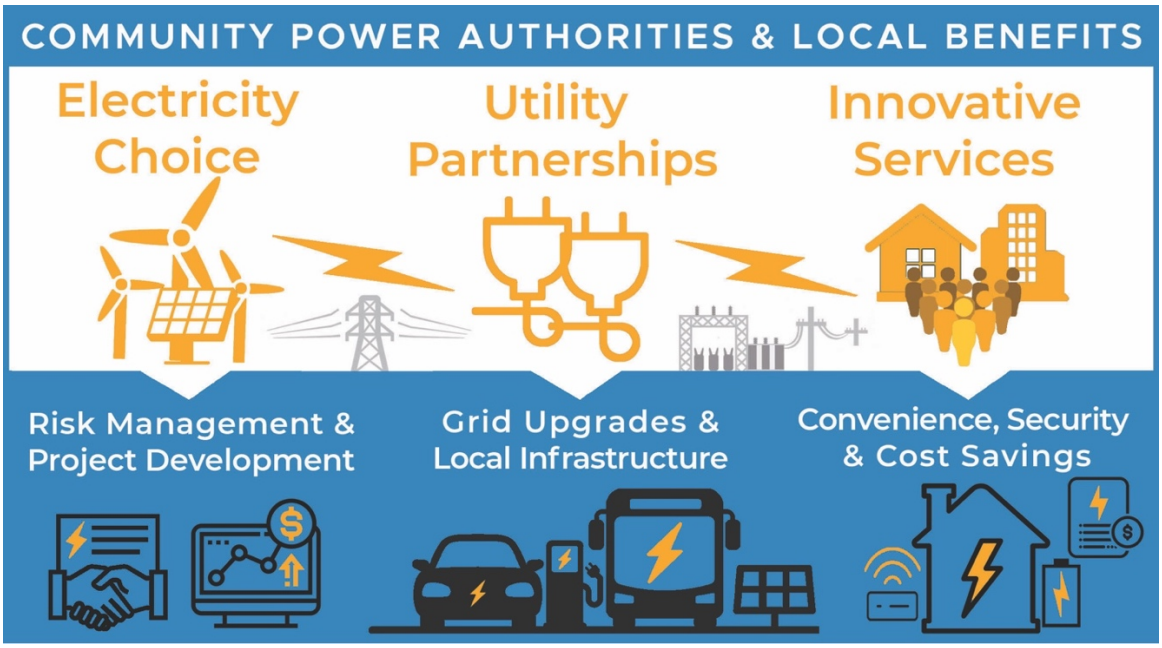
INTRODUCTION TO COMMUNITY POWER

New Hampshire's updated Community Power law (RSA 53-E, as amended by SB 286 - Chapter 316, NH Laws of 2019, effective October 1, 2019, and HB 315, Chapter 229, NH Laws of 2021, effective October 24, 2021) is a bipartisan policy designed to further democratize, evolve, and enhance the economic efficiency of our electric power industry. The Legislature's intent in enacting RSA 53-E was to "*encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.*" To achieve this goal, RSA 53-E authorizes local governments (cities, towns, and counties) to launch Community Power programs that:

- Provide electricity supply service to residents and businesses, who are notified and enrolled on an "opt-in" customer choice or "opt-out" default service basis — and may thereafter leave or rejoin the program by switching suppliers (in advance of their next billing cycle date);
- Procure a reliable supply of "all-requirements" electricity, inclusive of Renewable Portfolio Standard requirements, with the option to participate directly in the ISO New England wholesale market as a load-serving entity on behalf of participating customers;
- Offer a range of innovative services, products, new Net Energy Metering supply rates, and local programs to participating customers;
- Establish a joint powers agency with other Community Power programs to share services, contract for energy project developments, and facilitate related energy initiatives; and
- Work collaboratively with distribution utilities, regulators, policymakers and innovative energy businesses to help modernize our electrical grid and market infrastructure.

These authorities and local benefits are depicted in the graphic below:



Distribution utilities will continue to deliver power to all customers, regardless of whether they are supplied electricity by new Community Power programs or Competitive Electric Power Suppliers (or have chosen to switch back to utility-provided default service).

OVERVIEW OF ENFIELD COMMUNITY POWER

Enfield Community Power is a program authorized under RSA 53-E to provide electricity supply service for the Town of Enfield's residents, businesses, and other types of customers. The program will only launch if it is able to initially offer residential default rates that are lower than or competitive with those offered by our local utilities: Liberty, Eversource, or New Hampshire Electric Coop. Thereafter, the program will:

- Serve as the default electricity supplier for all customers on a default "opt-out" basis;
- Offer innovative services and generation rates to customers on an "opt-in" or "opt-up" basis (such as 100% renewable premium products, time-varying rates and Net Energy Metering generation credits for customers with solar photovoltaics);
- Operate on a competitive basis, in that customers may choose to switch between Enfield Community Power, service provided by Competitive Electric Power Suppliers, and utility-provided default service; and
- Be self-funded through revenues generated by participating customers (the Town of Enfield will not use taxes to cover program expenses). Enfield's local utilities will continue to own and operate the distribution grid and be responsible for delivering power to all customers within the Town of Enfield. Customers will be charged for utility delivery services at rates set by the Public Utilities Commission.

The Selectboard, in coordination with advisory support from the Enfield Community Power Committee, a sub-committee of the Enfield Energy Committee, will be authorized to arrange and 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 over the program thereafter.

Customer Notification and Enrollment Process

Prior to launch of Enfield Community Power, all eligible customers will be mailed notifications and provided the opportunity to "opt-out" or "opt-in" to the program, depending on whether they currently take service from a Competitive Electric Power Supplier or are on default service provided by their current utility:

- Customers already served by Competitive Electric Power Suppliers will be notified and may request to "opt-in" to the program; and
- Customers currently on default service provided by their Utility will be notified, provided the opportunity to decline participation, and thereafter transferred to Enfield Community Power if they do not "opt-out".

Notifications to customers on utility-provided default service will include the initial fixed rate for the program's default service compared with their current Utility 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 return postcard, calling a phone number or using a web portal).

After the launch of Enfield Community Power, any new customers that move to the Town of Enfield will be transferred onto default service provided by the program, unless they choose to take service from their distribution utility or a Competitive Electric Power Supplier.

All customers on Enfield Community Power default service will remain free to switch back to their distribution utility or to take service from a Competitive Electric Power Supplier.

Customer Accounts and Electricity Usage Estimates

The tables below show the total number and annual electricity usage of customers within Enfield's territory who would initially receive either "opt-out" or "opt-in" notifications:

	Utility Default Supply Customers (Eligible for Opt-Out Notifications & Automatic Enrollment)		**Competitive Supply Customers** (Eligible for Opt-In Notifications & Voluntary Enrollment)	
	Customer Accounts	**Annual Usage (MWh)**	**Customer Accounts**	**Annual Usage (MWh)**
Residential	2495	15,630	134	970
Commercial	255	3,573	77	933
Total	**2750**	**19,203**	**211**	**1,903**

Aggregated data shown was provided by the Utilities serving Enfield for the 12 months ending Oct 2021.

Membership in the Community Power Coalition of New Hampshire

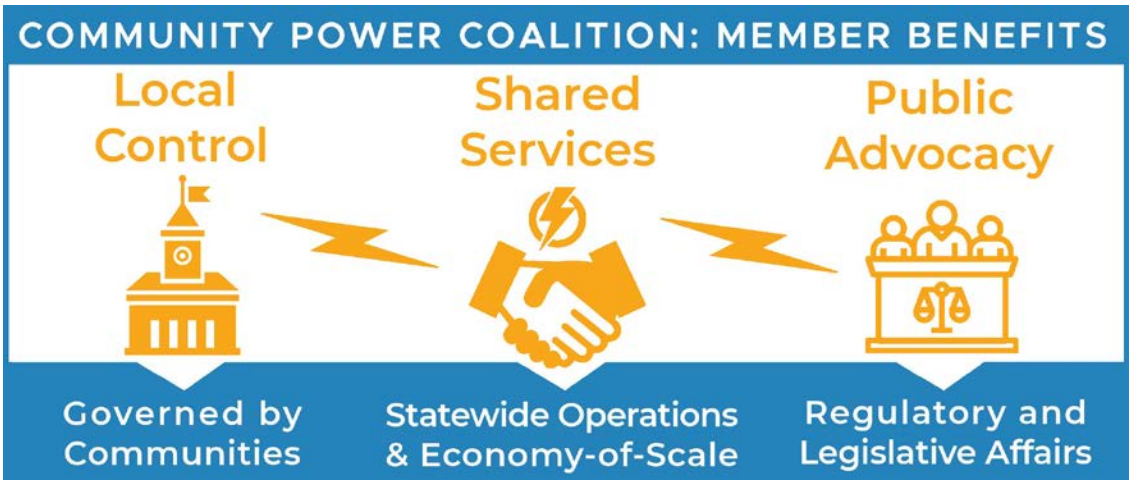
Enfield is a founding member of the Community Power Coalition of New Hampshire ("the Coalition"), a joint powers agency authorized under RSA 53-A ("*Agreements Between Governments: Joint Exercise of Powers"*) that will operate on a not-for-profit basis.

The Coalition was created so that towns, cities, and counties across New Hampshire could:

1. Access the resources and support required to streamline the process of establishing an Electric Aggregation Committee, drafting an Electric Aggregation Plan and approving a new Community Power program.
2. Jointly solicit and contract for third-party services and staff support to launch and operate Community Power programs, without requiring any upfront costs or imposing any financial liabilities on participating communities.
3. Participate in joint power solicitations and local project development opportunities.
4. Share knowledge and collaborate regionally on clean energy and resilient infrastructure development at the community-level throughout the state.
5. Speak with one voice at the Legislature and Public Utilities Commission on public advocacy issues related to energy and Community Power.

The Coalition's joint powers agency governance model and competitive business model have been designed in accordance with energy industry best practices to ensure that participating Community Power programs benefit from transparent governance and high-quality services —so that all communities are able to take full advantage of their local control authorities under RSA 53-E and achieve the full scope of their local energy policy goals.

The Coalition will be governed "*for communities, by communities*" under a voluntary and flexible membership structure, will provide competitive electricity service on a statewide basis, and will strengthen the ability of communities to coordinate effectively on public advocacy issues.



Key aspects of the Coalition's design, governance, services and start-up process are summarized in:

- The appendix (Attachment 2) which provides an overview of the communities, volunteers and experts involved in the process of designing the power agency.
- The chapter "Overview of the Community Power Coalition of New Hampshire", which provides context regarding the purpose of joint action power agencies, highlights the importance of joint public advocacy (and summarizes the Coalition's successful engagements at the Legislature and Public Utilities Commission on Community Power and public advocacy issues to-date), and summarizes key features of the Coalition's business model and services.
- The chapter "Enfield Community Power Goals, Objectives and Requirements", which explains how the Coalition's joint action governance and business model should enable Enfield to achieve the full scope of our policy goals, delineates what our goals are over the short-to-long term, and summarizes the program's near-term operational requirements as a power enterprise.
- The remainder of this chapter, which summarizes the Town of Enfield's anticipated role in the Coalition's governance and implementation process through the launch of Enfield Community Power.

Purpose of this Electric Aggregation Plan

The Electric Aggregation Committee was tasked by the Selectboard to prepare this Electric Aggregation Plan, which sets forth Enfield's policy goals for our Community Power program, summarizes program governance and implementation processes, and commits Enfield Community Power to comply with applicable statutes and regulations 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 between different electric distribution utilities in their respective franchise territories; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power.

This plan does not otherwise commit Enfield to any defined course of action, including participation in the Coalition for the purposes of launching the program, and does not impose any financial commitment on the Town of Enfield.

The Selectboard retains the power to contract for all required program services and electricity supplies, to set rates, and to pursue related projects independently of the Coalition.

Approval Process for Enfield Community Power

This Electric Aggregation Plan was developed by the Electric Aggregation Committee with due input from the public, as required under RSA 53-E. Public hearings were held on December 7, 2021 and February 15, 2022. Refer to Attachment 7 for additional information.

The Electric Aggregation Committee has determined that this Electric Aggregation Plan satisfies applicable statutory requirements and is in the best, long-term interest of the Town of Enfield and its residents, businesses, and other ratepayers.

The Selectboard may now submit this Plan for consideration by the Town of Enfield. Adoption of this Plan by the Town of Enfield, by majority approval of those present and voting, establishes Enfield 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), and authorizes the Selectboard to arrange and contract for the necessary professional services and power supplies to launch Enfield Community Power.

Implementation Process for the Coalition & Enfield Community Power

The Town of Enfield became a founding member of the Coalition on Sept 7, 2021 when the Selectboard approved entering into the Coalition's Joint Powers Agreement.

The Coalition's Joint Powers Agreement includes the Articles of Agreement and Bylaws of the nonprofit. It establishes the general purpose, authorities, structure, Board of Directors, committees, cost-sharing principles, liability protections, and other aspects of the organization.

The Coalition was incorporated on October 1, 2021 by the following founding local government members: the cities of Lebanon, Nashua and Dover; the towns of Hanover, Harrisville, Exeter, Rye, Warner, Walpole, Plainfield, Newmarket, Enfield and Durham; and Cheshire County.

This plan assumes, but does not require, the Town of Enfield to participate fully in the Coalition for the purposes of implementing and operating Enfield Community Power.

Town of Enfield Participation in Joint Powers Agency Governance

The Coalition's initial Board of Directors is constituted of representatives appointed by the governing bodies of each founding member.

The Selectboard has appointed primary and alternate representatives of Enfield Community Power to serve on the Coalition's Board of Directors. The Town of Enfield's representatives will directly oversee the Coalition's initial startup and implementation activities, including the:

- Adoption of Board policies and the election of officers;
- Hiring of expert staff to provide qualified management and oversight;
- Solicitation and contracting of third-party service vendors to launch and operate Community Power programs; and
- Appointment of Board members and other community representatives to committees.

Enfield and all founding members will be directly represented on the Coalition's Board until more than twenty-one (21) members join, at which point directors will be elected by vote of the

members' representatives at annual meetings (with a Board size of between 11 and 21 representatives, at the members' direction).

Additionally, to exercise more regular oversight over specific aspects of the joint powers agency, the Coalition will have six standing committees: Executive, Finance, Audit, Regulatory and Legislative Affairs, Risk Management and Governance. The Board may also establish ad-hoc committees, and each direct project that members choose to pursue in the future will be overseen by a committee specific to that project.

All meetings of the Coalition will comply with New Hampshire's Right-to-Know Law (RSA 91-A), the purpose of which is to "*ensure both the greatest possible public access to the actions, discussions and records of all public bodies, and their accountability to the people*", based on the recognition that "*openness in the conduct of public business is essential to a democratic society*."

Development of Member Cost Sharing Agreement and Services for Enfield Community Power

Under the terms of New Hampshire's Community Power law (RSA 53-E):

- Community Power programs must be self-funded, with ongoing costs paid for using the revenues generated by participating customers.
- Municipalities are only allowed to incur incidental costs associated with implementing Community Power programs, such as the costs necessary to comply with the Community Power law, up to the time that the program starts to produce revenue from participating customers.

Membership in the Coalition, and the implementation of Enfield Community Power, will not require any upfront cost for the Town of Enfield other than such incidental expenses (i.e., the staff time, counsel review of agreements, and other costs required to comply with the Community Power law).

To provide the services, credit support and electricity supply required to launch and operate Enfield Community Power:

- The Coalition will administer competitive solicitations on behalf of all participating Community Power programs to contract with qualified vendors and credit-worthy suppliers.
- Vendors are expected to fund and self-manage the upfront cost of launching Community Power programs, under at-risk and performance-based contract structures with payments contingent upon successful launch.
- Program implementation costs for Enfield, along with ongoing operational and power procurement expenses, will be factored into the customer rates adopted by the Selectboard and be recovered from the revenues received from participating customers after the launch of Enfield Community Power.

Similar solicitations and at-risk, performance-based contract structures have been used to successfully launch and operate new joint powers agencies in other Community Power markets.

Enfield's representatives on the Coalition's Board of Directors will participate in the solicitation of services, agency startup activities and the development of a cost-sharing agreement with other founding members.

The Coalition's Joint Powers Agreement provides certain requirements regarding how costs will be tracked and shared across participating Community Power programs, which will guide the development of the Coalition cost-sharing agreement:

- Costs will be tracked in three distinct categories: direct project costs, member services, and

general and administrative costs (which are overhead costs that are not associated with any specific project or member service);

- Member cost-sharing agreements will be the same in all material respects: general and administrative costs will be allocated based on each Community Power program's share of total electricity usage each year, while each member will choose and separately pay for the costs of specific services and projects (under terms that reflect a fair allocation across all the members that chose the same services and projects); and
- The debts, liabilities and obligations of the Coalition, and of other participating Community Power programs, will be non-recourse to Enfield (unless expressly agreed to by the Selectboard under Enfield's Cost Sharing Agreement or a Project Contract).

The Coalition intends to contract for all the services required to launch and operate member Community Power programs, which is expected to enable access to advanced services and expertise at least cost for Enfield Community Power. However, note that:

- The Town of Enfield will be under no obligation to rely on the services provided through the Coalition until the Selectboard executes the Coalition's cost-sharing agreement and chooses which services will be provided through the Coalition.
- At that time, the Selectboard may decide to rely on the Coalition for all or a subset of the services required to launch and operate Enfield Community Power.
- Alternatively, the Selectboard could decide to withdraw from the Coalition entirely, prior to executing the cost-sharing agreement, and launch Enfield Community Power independently.
- Lastly, after Enfield Community Power launches, the Town of Enfield could still decide to procure certain services independently or to withdraw from the Coalition at a future date, subject to the terms, conditions and any continuing obligations specified in the cost-sharing agreement approved by the Selectboard.

Decisions made by the Selectboard regarding how to best implement and operate Enfield Community Power, including the execution of the Coalition cost-sharing agreement and selection of services provided through the Coalition, will be made at duly noticed public meetings.

Coalition Engagement on Rule Making at the Public Utility Commission

Enfield Community Power will launch after administrative rules governing Community Power are adopted by the Public Utilities Commission. Rules are expected to require submission of Enfield's Electric Aggregation Plan to the Commission in order to:

- Provide formal notice that the Town of Enfield is planning to launch a Community Power program;
- Authorize the Town of Enfield to request access to additional customer data from Liberty, Eversource, and NHEC Utilities that will be needed for the implementation and administration of Enfield Community Power.

Over the course of 2020, founding members of the Coalition have actively participated in the informal rule drafting process by providing initial and subsequent sets of draft rules for review and refinement, arranging, and facilitating bilateral meetings with utilities and other stakeholders, and leading stakeholder workshop discussions and editing sessions at the request of Public Utilities Commission staff. Enfield Community Power will coordinate with the Coalition to engage in the Commission's rule development process.

Coalition & Enfield Community Power Implementation Milestone Charts

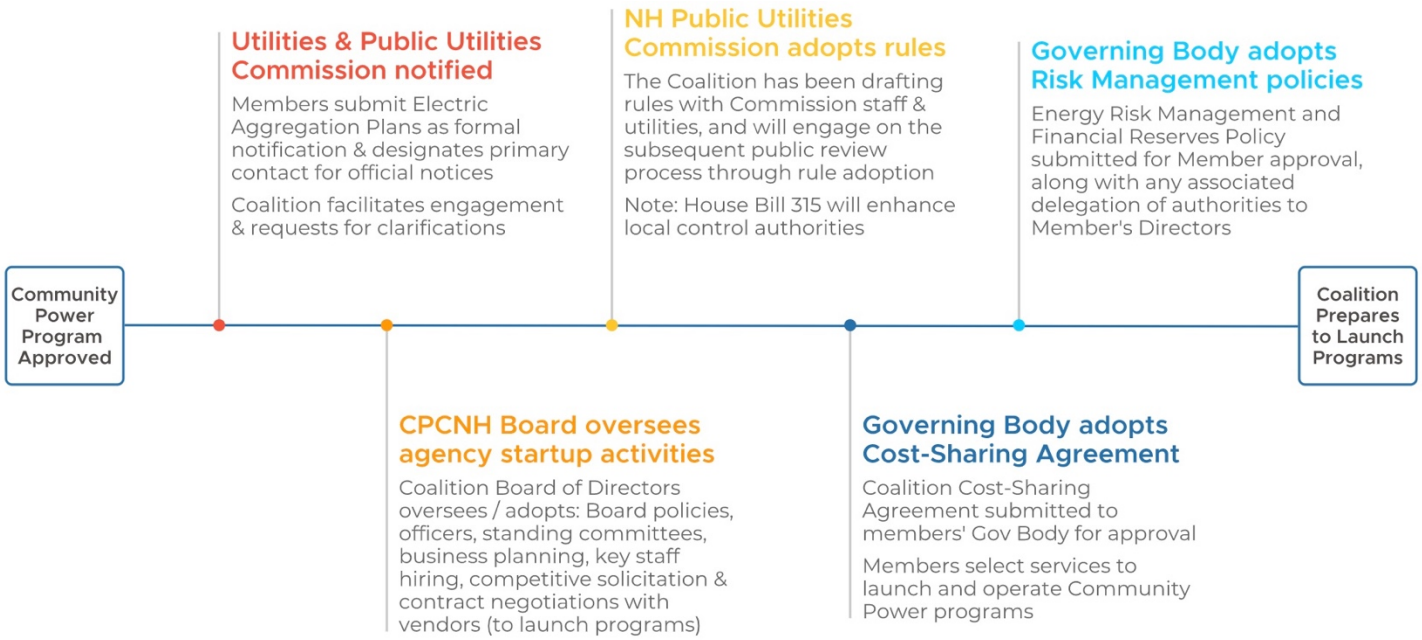
The milestone charts below show the anticipated approval, formation and launch processes for Enfield Community Power and the Coalition power agency, as described in the sections above.

The first chart below summarizes the different categories of activities required to approve Enfield Community Power and join the Coalition as a founding member to create the joint powers agency:

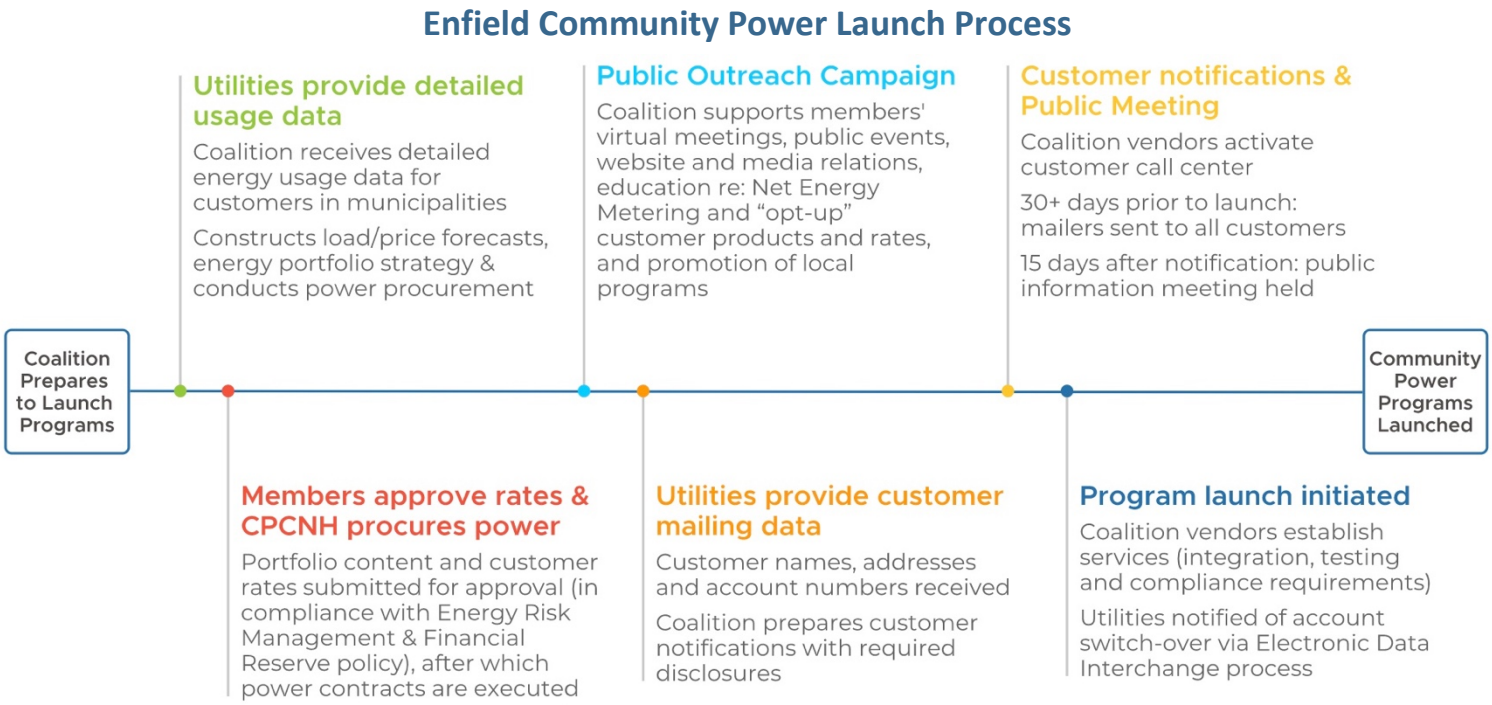
Approval Process for Coalition Agency & Enfield Community Power

Enfield's directors on the Coalition Board will then oversee startup activities, including engagement at the Public Utilities Commission to finalize the administrative rules governing the Community Power market, and will bring forward the Coalition's cost-sharing agreement along with an Energy Risk Management and Financial Reserve Policy for approval by the Selectboard:

Coalition Startup, Rule Making and Risk Management Policy Approval Process



After the Public Utility Commission adopts rules and opens the market, the Coalition will be allowed to launch Enfield Community Power (and the programs of other participating municipalities). The milestones below summarize the process by which the Coalition will structure and conduct data collection, forecasting, power procurement solicitations and rate setting exercises — in compliance with the Energy Risk Management and Financial Reserve Policy adopted by the Town of Enfield — and the local outreach, customer notification mailings and public meeting process that culminates in the launch of Enfield Community Power:



OVERVIEW OF THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE

Enfield is a founding member of the Community Power Coalition of New Hampshire, a nonprofit joint powers agency authorized under RSA 53-A.

Joint powers agencies are governed by communities, operated on a not-for-profit basis and allow Community Power programs to voluntarily join forces to take advantage of economies of scale and shared services to boost operational efficiencies.

The public power industry has created over seventy joint powers agencies in the last fifty years, and several hundred local governments operate Community Power programs through joint powers agencies or comparable collaborative governance structures in Massachusetts, New York, Ohio, Illinois and California.

The experience of these markets demonstrates that the economics of joint purchasing can enable access to advanced services and expertise for participating Community Power programs, which helps keep power rates competitive and supports long-term financial stability.

The Coalition was incorporated on October 1, 2021 by the following founding local government Members: the cities of Lebanon, Nashua and Dover; the towns of Hanover, Harrisville, Exeter, Rye, Warner, Walpole, Plainfield, Newmarket, Enfield and Durham; and Cheshire County.

The 13 city and town members of the Coalition represent more than 210,000 residents, or ~15% of the population of New Hampshire. To put the anticipated electricity usage of all Coalition Members Community Power programs in context, at full enrollment of all eligible customers, the Coalition would be approximately equivalent in size to the default service load of both Unitil and the New Hampshire Electric Coop on an individual basis, which is larger than Liberty Utilities' default service load and smaller than Eversource (New Hampshire's largest investor-owned distribution utility).

Enfield anticipates relying upon the Coalition's member services to launch and operate Enfield Community Power, but approval of this plan does not commit the Town of Enfield to doing so. The Selectboard retains the authority to contract for any and all required program services and electricity supplies, and to pursue projects independently of the Coalition.

Based on the design and projected size of the Coalition, the Enfield Community Power Plan Committee anticipates that participation will result in cost savings, lower staff requirements and enhanced quality of services for Enfield Community Power and other member programs.

Operating Enfield Community Power through the Coalition is expected to provide a number of distinct benefits in terms of transparency, scope and cost of services, regulatory and policy engagement, local program options, quality of energy risk management advice, the accrual of financial reserves sufficient to ensure long-term financial stability, and opportunities to develop new energy projects. These benefits are summarized in the "Regulatory and Policy Advocacy" and "Coalition Member Services" sections below.

Regulatory and Policy Advocacy

Changes in law and regulations that adversely impact Community Power programs will be a non-trivial source of risk for Enfield Community Power.

Additionally, extending and maintaining the full range of benefits that Enfield Community Power could create for customers will require informed participation and advocacy on energy issues at the Legislature and Public Utilities Commission.

Coordination with other municipalities and Community Power initiatives on matters of common interest through the Coalition have already produced meaningful results in these areas. For example, over the last year, the communities involved in the formation of the Coalition have:

- Participated in the Community Power informal rule drafting process, including by providing the initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and leading significant portions of the subsequent stakeholder workshops at the request of Public Utilities Commission staff.
- Intervened in regulatory proceedings to represent the interests of customers and Community Power programs, such as by advocating for expanded data access in the Commission's Statewide Data Platform docket (DE 19-197), under which a settlement agreement with the utilities was negotiated and recently submitted to the Public Utilities Commission. (If adopted, the settlement would create a "Statewide Data Platform" to enables data access for customers and Community Power programs, which would be overseen by a Governance Council that includes Coalition representatives.)
- Testified in legislative hearings — and organized hundreds of people, elected officials and civic organizations to register in support of the Coalition's position on key legislation — in order to successfully negotiate critical amendments to two bills recently signed into law:
    - House Bill 315, which clarifies and expands key Community Power authorities; and
    - Senate Bill 91, which expands battery storage options for customers as well as Net Energy Metering for communities and established a committee to study the creation of a new market that would expand the ability of Community Power programs to buy from in-state generators and battery storage projects (under 5 megawatts in size).

Enfield Community Power will continue and expand on these activities through the Coalition.

Coalition Member Services

The Coalition's business model has been designed to provide Community Power programs with:

- **Innovative local programs and customer services**: new rates, technologies and services for customers that lower electricity supply costs and risk for the program in aggregate, along with the electricity bills of participating customers from a "full bill" perspective (i.e., inclusive of transmission and distribution charges).
- **Energy Risk Management & Financial Reserve Policies, Procedures and Practices*:*** expert guidance on energy risk management, procurement of a diversified portfolio of energy contracts, rate setting, and financial reserves — sufficient to ensure the stability and operational continuity of Community Power programs over the long-term (as technologies, market dynamics, risk factors, consumer preferences and energy policies continue to evolve).
- **Development of Renewable and Battery Storage Projects:** joint contracting opportunities for

the construction of new renewable and battery storage projects financed under long-term contracts — to diversify program energy portfolios, provide a physical hedge against wholesale market price fluctuations, enhance the resiliency of our electrical grid, and stimulate local construction and economic development.

The Coalition intends to contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate Community Power programs. These third parties are expected to fund the upfront cost of implementing Community Power programs, the expense of which would be amortized and recovered for a specified term, along with ongoing operating costs, in customer rates.

The extent of services offered by the Coalition is expected to thereafter expand over time, in response to new market opportunities and ongoing regulatory rule reforms, and to meet the local objectives of participating Community Power programs. The Coalition also plans to hire a small number of qualified staff to ensure effective oversight of operations, as well as enhanced transparency and expert management as the Coalition's business operations evolve.

The proceeding sections explain how the above categories of member services are interrelated in ways that combine to ensure Enfield Community Power remains operationally stable, competitive and able to achieve the full range of our local policy goals over the long-term.

Innovative Local Programs & Customer Services

Cost-effective local programs provide new retail products and services that enable customers to:

- Intelligently moderate their use of electricity from the grid during times of high wholesale power prices and when the physical grid is constrained (at-risk of not being able to deliver enough power to meet all customers' usage requirements during the hours of "peak demand");
- Increase their use of electricity from the grid when wholesale prices are relatively low and the physical grid is not constrained.

Examples of innovative retail products and services that enable customers to do so include time-based rate options, individual and group net metering, targeted efficiency, distributed generation and energy storage programs, electric vehicle charging rates, and other offerings that empower customers directly and enable the services of third-party energy companies that are helping customers adopt and use new technologies.

Programs that enable the intelligent use of electricity will help Enfield Community Power to:

- Lower electricity supply costs and risk for the program in aggregate, along with the electricity bills of participating customers from a "full bill" perspective (inclusive of transmission and distribution charges);
- Strengthen customer relationships and local brand recognition; and
- Protect against customer attrition (the risk that customers opt-out of the program by choosing an alternative supplier) and potentially grow the program's customer base over time.

Local programs, in order to be cost-effective, need to be designed in ways that relate to and actively help manage the various sources of cost and risk involved in operating a competitive power agency.

As explained in the section below, the Coalition will adopt a structured approach to monitoring, analyzing and actively managing energy cost and risk — both to enable the design of cost-effective local programs, and provide additional benefits such as long-term financial stability.

Energy Risk Management & Financial Reserve Policies, Procedures and Practices

Enfield Community Power's ability to maintain competitive rates, as market prices and existing Utilities default rates change over time, is a primary goal for the program. Competitive rates will significantly reduce the risk that customers opt-out of Enfield Community Power and allow the program to achieve our medium- to long-term goals.

To that end, working with the other members of the Coalition, Enfield Community Power will adopt Energy Risk Management and Financial Reserve policies. The purpose of these policies is to:

- Ensure that Enfield Community Power allocates customer revenues in ways that balance our community's goals and objectives over the short-to-long term; and
- Define how the Coalition will conduct energy risk management, procurement and market operations on behalf of Enfield Community Power (so that the agency remains in compliance with our adopted policies).

Combined with the operational procedures and practices of the Coalition's business model, these policies are designed to ensure that Enfield Community Power and all participating members of the Coalition will be able to:

- Foresee, forecast and adequately plan for adverse contingencies (such as power supply shocks, economic downturns and changes in policy and regulations);
- Structure and manage a diversified portfolio (or "book") of physical and financial energy contracts in order to (1) hedge price risk in an optimal fashion by assessing the cost of entering into forward contracts against the risk of wholesale market price exposure, (2) transact quickly to take advantage of changing market conditions and (3) incorporate energy contracts from a variety of preferred sources (e.g., renewables and battery storage assets, local generators, customer-generators and demand response programs, etc.);
- Maintain competitive rates, and additionally set aside funds to accrue financial reserves, while also implementing local programs (designed in ways that lower portfolio costs and risk factors);
- Draw on financial reserves or credit support sufficient to maintain (1) rate stability for participating customers and (2) adequate cash flow for the Coalition's operations over the course of any adverse events and periods.

As Enfield Community Power accrues financial reserves, the Coalition will be able to facilitate additional ways to lower costs, create new value, and further enhance the financial stability of the program. As one example, the accrual of sufficient reserves will allow Enfield Community Power to begin self-providing the collateral required for wholesale power market transactions and power purchase agreements. This will lower the capital costs and risk premiums otherwise embedded into the price of power contracts negotiated by the Coalition. Similarly, the Coalition also intends to facilitate pooled power procurement across participating Community Power programs, and to explore opportunities to jointly satisfy collateral obligations within these arrangements.

Lastly, as explained further in the section below, the combination of the Coalition's approach to energy portfolio risk management and the accrual of sufficient financial reserves by participating members is what will enable Enfield Community Power to enter into long-term contracts — in order to construct new renewable and battery storage projects.

Development of Renewable and Battery Storage Projects

As Enfield Community Power and other participating Community Power programs demonstrate the ability to accrue reserves sufficient to ensure our collective financial stability — and maintain or grow our customer base by offering competitive rates and innovative services over time — the Coalition will be able to facilitate new project developments for Enfield Community Power and other Community Power programs that elect to jointly participate in long-term contracting solicitations. As context:

- Project developers and financiers require long-term power purchase agreements (typically 10 years or longer in duration) to justify the upfront cost of constructing renewables and battery storage facilities;
- Consequently, project financiers will not execute long-term contracts with a Community Power program if they do not believe that the program is likely to remain a stable, credit-worthy counterparty (i.e., unlikely to default on payment obligations over the contract term).

Achieving the ability to execute long-term contracts and build new renewables and battery storage projects is a priority for Enfield Community Power and the other Community Power programs joining together to create the Coalition. This objective is an important policy goal for our program and will additionally diversify the energy supply portfolio managed by the Coalition.

Portfolio diversification helps to stabilize operating margins by intelligently hedging Enfield Community Power's exposure to wholesale market dynamics and price fluctuations. The objective is to enter into contracts that help to manage risk and maximize revenues for the program from total portfolio management perspective, in order to further strengthen our program's financial performance and stability over the long-term. As context:

- When bidding on joint project development solicitations, developers will submit different combinations of technologies, project locations, prices, term lengths and contractual clauses with operational and financial implications.
- Selecting which contracts to enter into — and effectively negotiating contract terms and prices — requires analyzing the different contracts being offered, individually and in combinations, and simulating the impact that the new contracts would have on Enfield Community Power's cashflow, total portfolio costs and risk profile over the length of the contract.
- This exercise, which is a key component of the Coalition's broader "portfolio strategy" analysis, is referred to as "contract valuation" or "deal valuation". These simulations will allow the Coalition to quantify the value of the contract (from a portfolio risk management perspective), compare the value against the price being offered by developers, negotiate for better terms and prices as necessary, and enter into contracts on behalf of Enfield Community Power that are likely to cost less than the value created at the program portfolio level.

As described in the preceding section "*Energy Risk Management & Financial Reserve Policies, Procedures and Practices*", the Coalition's business model has been designed to actively manage a diversified portfolio of energy contracts at launch — which entails:

- Understanding and analyzing energy cost and risk factors on a continuous basis;
- Conducting contract valuation simulations;
- Negotiating contract terms and prices with a variety of counterparties to construct a portfolio of energy contracts that, in aggregate, is designed to optimally hedge price risk; and

- Thereafter, actively and continuously managing the “book” of contracts in response to market dynamics, price movements and opportunities.

In these ways, the Coalition’s business model provides the foundational capabilities required to support joint project development solicitations for Enfield Community Power and other participating programs — inclusive of long-term contract valuation simulations, counterparty negotiation, and active management of the contract and overall portfolio thereafter.

Enfield Community Power Goals, Objectives and Requirements

Enfield Community Power affords the Town of Enfield the capacity and flexibility to realize and build on our policies pertaining to energy, economic development, and infrastructure.

Our policy goals will need to be pursued through a combination of direct program activities and informed public advocacy at the Legislature and Public Utilities Commission. This will require enhanced coordination with other communities as well as advanced operational services, dedicated expertise, innovation and sustained initiative carried out over a period of multiple years.

Simultaneously, maintaining competitive rates compared to our local Utilities's default service rates — as market prices, energy technologies and policies change over time — will require nimble decision-making and the ability to evolve business operations in response to changing market conditions in order to actively manage risk, minimize costs and maximize the creation of customer value.

The structure of the Coalition — the combination of the joint powers agency's community governance model, competitive business model and coordinated approach to engaging in public advocacy — has been designed to enable and streamline these activities for Enfield Community Power at an advantageous, cost-effective economy-of-scale.

Participation in the Coalition is therefore expected to strengthen the capacity and financial performance of Enfield Community Power, such that the program is able to operate continuously as a self-supporting, competitive enterprise for the foreseeable future, and will therefore be able to work towards achieving the full scope of our policy goals and objectives over the long-term.

Enfield Community Power Objectives

To achieve our policy goals, Enfield Community Power will be guided by the following objectives:

- **Competitive Rates & Expanded Choices:** Enfield 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 our local Utilities, and will additionally offer optional products, such as supply options with higher and lower levels of renewable energy and time-varying rates that enable the intelligent use of customer energy technologies;
- **Fiscal Stability & Financial Reserves:** Enfield 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 Enfield's longer-term policy goals (such as the development of local energy resources and programs);
- **Consumer Protections & Public Advocacy:** Enfield Community Power will ensure that the contracts entered into on behalf of customers are fair, and represent the interests of Enfield and the program's customers at the Legislature and utility regulatory commission on matters pertaining to Community Power, ratepayer protection and the creation of a more competitive, efficient and clean energy market for New Hampshire;
- **Enhanced Customer Focus:** Enfield Community Power will enable customers to adopt new clean energy technologies that reduce energy expenditures and carbon emissions from the customer's "full bill" perspective, by reducing household and business fuel expenses through electrification of heating appliances and vehicles, offering time varying rate structures that incentivize self-generating, dispatching onsite storage or shifting power consumption during

when electricity market prices are high, lowering customers' utility transmission and distribution charges by reducing onsite demand in peak hours, and other strategies;

- **Cleaner, Local Power:** Enfield Community Power will prioritize the development of cost-effective projects to supply an affordable energy portfolio that prioritizes the use of in-state and local renewable energy and battery storage projects;
- **Community Resilience:** Enfield Community Power will support local contractor training and education programs to lower barriers to the installation of new clean energy technologies, and support projects such as back-up power supplies, electric vehicle charging networks and community microgrids on critical facilities;
- **Regional Collaborations:** Enfield Community Power will collaborate with municipalities, other Community Power programs and government agencies to jointly develop cost-effective local renewable generation and storage projects, electric vehicle transit fleets and charging corridors, and other clean energy infrastructure developments;
- **Grid Modernization:** Enfield Community Power will join with other Community Power programs to advocate for policies, regulations, and infrastructure investments — such as the widespread deployment of interval meters and other Smart Grid infrastructure technologies —necessary to enable innovative customer services and the intelligent use of new clean technologies, cost-effective integration of local and regional renewable generation and the reliable operation of customer and community owned microgrids and utility's distribution grid.

Through strategies and initiatives like these, enabled by the scope and scale of service provided through the Coalition, Enfield Community Power intends to:

- Create savings and new value for customers;
- Attract and support local businesses; and
- Reduce fossil fuel consumption overall while enhancing the reliability of our electricity grid;

These objectives that are essential to our continued success as a vital, sustainable community.

Near-Term Operational Requirements

While many of the broader benefits Enfield Community Power intends to create for customers and the Town of Enfield will be developed over time, the program's immediate objective is to offer competitive default supply rates compared to Liberty, Eversource and NHEC Utilities while accruing a reserve fund sufficient to ensure long-term financial stability, and additionally offering voluntary products that retail customers may opt-up to receive as well as Net Energy Metering supply rates that allow customer generators to participate in the program.

Enfield Community Power will need to balance customer rate levels, renewable power content and the accrual of program reserves to meet these objectives.

Performance Relative to Utility Default Service and Net Energy Metering Generation Rates

Compensation to customer generators under Net Energy Metering generation rates, the timing of the program's rate setting decisions and, to a certain degree, the procurement of electricity will need to take into account the local Utilities' tariffs, processes and timing in regard to these activities.

Refer to Attachment 3, Attachment 4, Attachment 5 and the section "Net Metering and Group Net Metering Policies" for additional documentation and discussion of these factors.

Customer Rates and Products

The table below provides an illustrative example of a default service product and optional rates that could be offered to customers:

	DEFAULT SERVICE *(*automatic enrollment)	**OPTIONAL PRODUCTS**		
		Basic Service	**Green Start**	**Prime**
Attributes	5-10% above Renewable Portfolio Standard (RPS)	Meets RPS	~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 products that Enfield Community Power initially offers to customers, and the rates charged for each product, will be refined and finalized in advance of program launch.

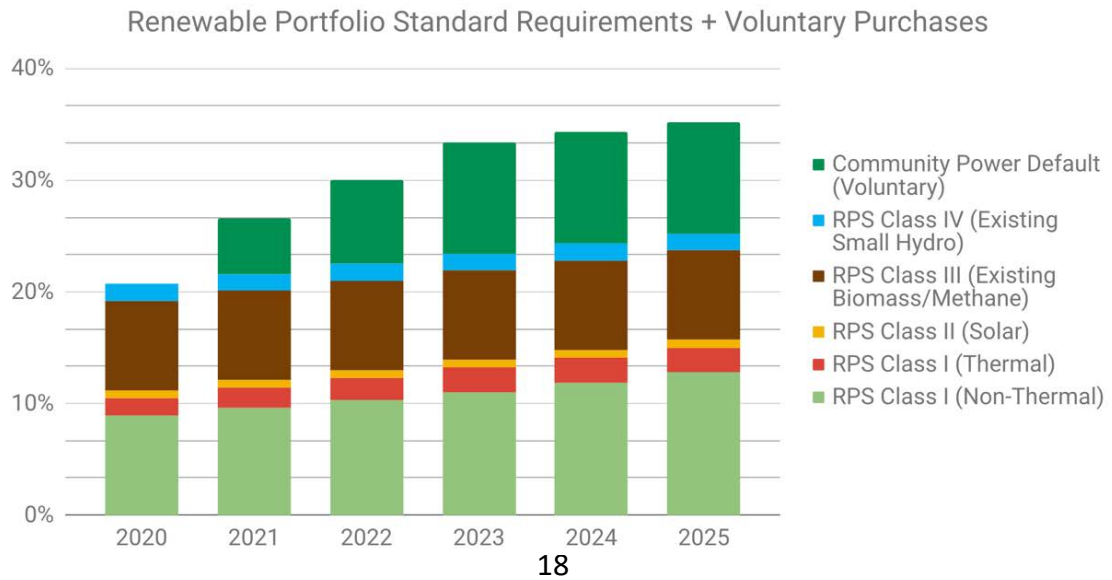
Renewable Portfolio Standard Requirements

New Hampshire's Renewable Portfolio Standard (RPS) requires all electricity suppliers to obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2021, NH Utilities are required to include 21.6% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS.

Enfield Community Power will seek to procure voluntary renewables in excess of the RPS minimum requirements from "Class I" resources (as defined in Attachment 3). Additionally, the program could prioritize including as much renewable energy sourced from generating resources located in New Hampshire and New England as possible.

The chart below shows the different classes and quantities of renewable power required under the RPS between 2020 and 2025, along with, for the sake of illustration, Enfield Community Power's additional voluntary purchases (assuming that the default product from the table in the proceeding section, which exceeds RPS requirements by 5% to 10% each year):



Energy Risk Management and Financial Reserve Policy Compliance

Enfield Community Power's power procurement, budgeting and rate-setting will be carried out in accordance with the Energy Risk Management Policy and Financial Reserve Policy that will be adopted by the Selectboard.

This decision-making framework is intended to guide the program to allocate revenues in a manner that appropriately balances our competing priorities — to ensure that Enfield Community Power will remain stable, and able to work towards achieving all of our policy goals, over the long-term.

ELECTRIC AGGREGATION PLAN STATUTORY REQUIREMENTS

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.

Organizational Structure of the Program

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

The Selectboard will oversee the program and has overall governance authority. Decisions regarding Enfield Community Power, such as amending and modifying program goals or this Electric Aggregation Plan (in accordance with RSA 53-E:7, IX), adoption of an Energy Risk Management and Financial Reserve Policy and approval of customer rates, will be made at duly noticed public meetings.

The Selectboard has appointed a primary and alternate representative to participate in the Community Power Coalition of New Hampshire and to serve on the agency's initial Board of Directors and may delegate certain decision-making authorities to them to carry out their responsibilities at the Selectboard's direction.

In general, Enfield's representatives will be expected to help oversee the start-up and operation of the agency, provide input regarding the Coalition's public advocacy on matters of policy and regulation, provide direction to the Coalition's vendors and/or staff as the agency's operations and customer services evolve over time, and report back regularly regarding the performance of Enfield Community Power and on any matter that warrants attention or requires action by the Selectboard.

Additionally, the Enfield Community Power Committee will continue to hold meetings for the purpose of (1) providing community input and advisory support regarding the program and (2) facilitating public education and engagement in our community.

Methods of Entering Into and Terminating Agreements

This Community Power Plan authorizes the Selectboard to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Enfield Community Power.

Operation and Funding

Enfield Community Power will contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate the program.

This plan assumes, but does not require, Enfield to participate fully in the Coalition and thereby contract for operational services jointly with other participating Community Power programs.

The Coalition's third-party contractors will be expected to fund the upfront cost of implementing Enfield Community Power, 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, either independently or through the Coalition.

Services provided by third-party entities required to launch and operate the program may include portfolio risk management advisory services, wholesale load-serving entity services, financial services, electronic data interchange services with the utility, and customer notification, data management, billing, and relationship management (e.g., call center, website, etc.) services.

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) will be addressed through a combination of staff support and third-party services.

Enfield Community Power will provide "all-requirements" electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services, transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard. (Refer to Attachment 3 for details regarding the requirements of Renewable Portfolio Standard statute, RSA 362-F.)

Electricity supply contracts will be executed or guaranteed by investment-grade entities, and suppliers will be required to use proper standards of management and operations, maintain sufficient insurance and meet appropriate performance requirements.

Additionally, RSA 53-E provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Enfield Community Power with the practical ability to help customers adopt and use innovative technologies (for example, building management systems, smart 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 our local utilities to adapt existing meter and billing system processes.

Rate Setting, Costs, Enrollment Process, and Options

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

Rate Setting and Costs

Enfield Community Power will only launch if it is able to offer residential default rates that are initially lower than or competitive with those offered by the local Utilities; thereafter, the program will strive to maintain competitive rates for all default service customers, as well as customers who

opt-in or opt-up to receive optional retail products, while working to achieve the program's goals (as set forth in this Electric Aggregation Plan and modified from time to time at the direction of the Selectboard).

The Selectboard 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 meet or exceed the ongoing operating and capital costs of the program.

To ensure the financial stability of Enfield Community Power, a portion of revenues will be deposited in a financial reserve account. In general, the fund will be restricted for uses such as:

- **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 and battery storage 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 directly 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 Selectboard's approval.

As required by law, the program will ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories.

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.

Changes to the program's default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.

Enrollment Process and Options

Enfield Community Power intends to launch on an opt-out basis, providing an alternative default service to the utility provided default service rate. After approval of this Electric Aggregation Plan and before the launch of Enfield Community Power, all customers in the Town of Enfield will be sent notifications regarding the program and offered the opportunity to participate:

- **Customers currently on default service provided by their local Utility** will be sent "opt-out" notifications — describing the program, its implications for the Town of Enfield, the rights and responsibilities of customers, and program rates and charges — with instructions on how to decline participation, and thereafter be transferred to Enfield Community Power if they do not opt-out of the program prior to launch.
- **Customers already served by Competitive Electric Power Suppliers** will receive "opt-in" notifications describing the program and may request to opt-in to the program.

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 of Enfield's Community Power website. A public information meeting will be held within 15 days of the notification to answer program questions or provide clarification.

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

After launch and in accordance with any applicable rules and procedures established by the Public Utilities Commission, new customers will be provided with the default service rates of their local Utility and Enfield Community Power and will be transferred onto Enfield Community Power's default service unless they choose to be served by their local Utility or a Competitive Electric Power Supplier.

Customers that request to opt-in to the program may do so subject to the terms of Enfield Community Power.

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

Customers that have opted-in to an optional product offered by Enfield Community Power may switch back to the their local Utility or to take service from a Competitive Electric Power Supplier subject to any terms and conditions of the optional product.

Rights and Responsibilities of Program Participants

All participants will have available to them the customer protection provisions of the law and regulations of New Hampshire, including the right to question billing and service quality practices.

Customers will be able to ask questions of and register complaints with the Town of Enfield, their local Utility and the Public Utilities Commission.

Enfield 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 Public Utilities Commission rules. Individual customer data includes information that singly or in combination can identify that specific customer including the individual customers' name, service address, billing address, telephone number, account number, payment information, and electricity consumption. Such individual customer data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors for Enfield Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b).

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

Participants will continue to be responsible for paying their bills. Failure to do so may result in a customer being transferred from Enfield Community Power back to their local Utility (the regulated distribution utility and provider of last resort) for default energy service, payment collections and utility shut offs under procedures subject to oversight by the Public Utilities Commission.

Net Metering and Group Net Metering Policies

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

Currently, customer-generators are charged their full retail rate for electricity supplied by their local Utility and receive credits for electricity they export to the grid based on their local Utility's Net Energy Metering (NEM) tariffs.

Enfield Community Power intends to provide new rates and terms that compensate participating customer-generators for the electricity supply component of their net metered surplus generation.

Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from their local Utility, as specified under the terms of their applicable net energy metering tariff.

For group net metering where the host customer-generator is on default service, to the extent Enfield Community Power's supply rates are lower than their local Utility's default service rate or if the host is located outside of Enfield, it may be most advantageous for the host to remain a default service customer with their local utility, while the other group members are free to switch to Enfield Community Power for their supply and continue to receive on-bill credits for their participation in the group.

Enfield Community Power's exact terms, conditions, and rates for compensating and crediting different types of NEM customer generators in the Town of Enfield will be set at duly noticed public meetings and fully disclosed to all prospective NEM customers through the program's enrollment notification process and thereafter.

Certain aspects of administering net energy metering require coordination with the local Utility and Enfield Community Power. The enabling services and strategies that Enfield Community Power may pursue, in order to benefit and encourage customers to adopt distributed generation, include but are not limited to:

- Dual-billing customer-generators separately for supply services;
- Offering time-varying rates and alterative credit mechanisms to compensate customers for surplus generation;
- Streamlining the establishment of new Group Net Metering and Low-Moderate Income Solar Project groups;
- Facilitating interval meter and Renewable Energy Certificate (REC) meter installations for customer-generators; and
- Engaging at the Legislature and Public Utilities Commission to advocate for upgrades and reforms to metering and billing infrastructure and business processes to enable Net Energy Metering and other innovative services to benefit customer-generators.

For additional details regarding these enabling services and strategies, refer to:

- Attachment 5 provides an overview of the local Utility's net energy metering tariffs in use

today, including the "standard" and "alternative" tariffs for individual customer-generators as well as Group Net Metering and Low-Moderate Income Solar Project options, and tables showing the number of customer-generators on net metered service in each utility territory;

- Attachment 6 provides an in-depth discussion regarding operational and strategic opportunities to enhance net metering and group net metering through Enfield Community Power.

Ensuring Discounts for Electric Assistance Program Participants

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. Enfield 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 System Benefits Charge, which is charged to all customers and collected by the distribution utilities.

At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility.

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

This arrangement may be revisited if, at some point in future, the Public Utilities Commission enables Community Power programs to provide Electric Assistance Program customers with their discount directly.

Termination of the Program

There is no planned termination date for Enfield Community Power.

Enfield Community Power may be terminated by majority approval of the Town of Enfield. If so terminated, Enfield Community Power would cease operations after satisfying any obligations contractually entered into prior to termination, and after meeting any advance notification period or other applicable requirements in statute or regulation, at which point participating customers would either be transferred to default service provided by their local Utility or to a Competitive Electric Power Supplier of their choosing.

Enfield Community Power will provide as much advance notice as possible regarding the potential or planned termination of the program to participating customers, the Coalition, the Public Utilities Commission and their local Utility.

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 Selectboard and in accordance with any applicable law and regulation.

Attachments

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 is excerpted in full below:

I. *The most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets. The overall public policy goal of restructuring is to develop a more efficient industry structure and regulatory framework that results in a more productive economy by reducing costs to consumers while maintaining safe and reliable electric service with minimum adverse impacts on the environment. Increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry that will require unbundling of prices and services and at least functional separation of centralized generation services from transmission and distribution services.*

II. *A transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire constitution which reads in part: "Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it." Competitive markets should provide electricity suppliers with incentives to operate efficiently and cleanly, open markets for new and improved technologies, provide electricity buyers and sellers with appropriate price signals, and improve public confidence in the electric utility industry.*

III. *The following interdependent policy principles are intended to guide the New Hampshire public utilities commission in implementing a statewide electric utility industry restructuring plan, in establishing interim stranded cost recovery charges, in approving each utility's compliance filing, in streamlining administrative processes to make regulation more efficient, and in regulating a restructured electric utility industry. In addition, these interdependent principles are intended to guide the New Hampshire general court and the department of environmental services and other state agencies in promoting and regulating a restructured electric utility industry.*

Prior to this point, state regulators set retail customer rates to allow electric utilities to recover profits and prudently earned costs for "vertically integrated" monopoly service — spanning wholesale electricity generation, transmission, local distribution and retail customer services (metering, billing, collections, call center operations and so on).

Restructuring sought to increase competition and technological innovation in the markets for wholesale electricity supply and retail customer services, by requiring electric utilities to divest of their generation portfolios, creating a Federally regulated regional electricity market or "Independent System Operator" (ISO New England is the market operator for New England), and allowing Competitive Electric Power Suppliers (CEPs) to offer electricity supply rates and other services to retail customers.

Customers that did not choose a competitive supplier were left on "default service" provided by the electric utilities — afterwards referred to as "electric distribution companies" — which continue to be regulated by the Public Utilities Commission. The distribution utilities periodically hold auctions for competitive suppliers to bid against one another for the right to supply electricity to

default service customers in large groups to competitive suppliers. (Refer to Attachment 4 for additional details on this process.)

Status of the Competitive Market

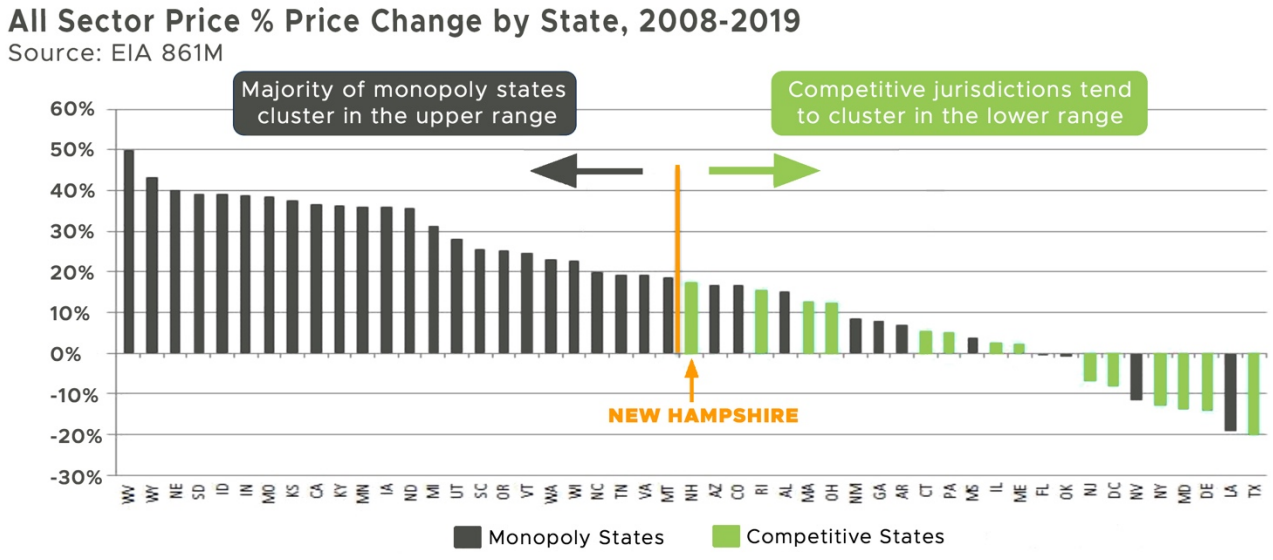
Nearly a quarter century has passed, and New Hampshire's competitive market has seen little growth since 2013. Four out of five customers remain on default service provided by the distribution utilities, and the customers that are on competitive supply only account for about half of total electricity usage.

Regulated distribution utilities continue to provide services that are not natural monopolies, and could therefore be available by competitive means, such as: default electricity supply, metering, meter data management, billing and other retail customer services (such as demand response and energy storage for smaller customers).

The continued reliance on utilities to provide these customer-facing services has necessitated state regulation over many aspects of the retail customer market. Utility regulation relies on administrative regulatory proceedings, which are necessarily more slow-moving and unable to respond to changing customer technologies and wholesale market dynamics (such as the increased price volatility caused by higher levels of renewable generation) compared to the nimbler, market-based framework envisioned under the Electric Utility Restructuring Act.

Residential customers, in particular, are not offered many rate options or clean technology innovations today: out of the 29 competitive suppliers currently offering service in New Hampshire, only nine offer service to residential customers (and only four serve customers in every distribution utility territory).

As a consequence, New Hampshire has fallen behind every other state with a restructured electricity market in terms of price competition:



Credit: *Retail Energy Supply Association, 2020.*

The Community Power Act

In order to support the growth of competitive market services in alignment with The Electric Utility Restructuring Act, RSA 53-E (as modified by Senate Bill 286 and House Bill 315) authorizes towns,

cities and counties to launch Community Power programs that replace distribution utilities as default suppliers of electricity to retail customers. The purpose of RSA 53-E is excerpted 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 programs to enter into agreements and provide for:

> *"the supply of electric power and capacity; demand side management; conservation; meter reading with commission approval for meters owned or controlled by the electric distribution utilities or used for load settlement; customer service for aggregation provided services; other related services; and the 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 further provides Community Power programs with authorities and regulatory pathways to offer more advanced meters for customers, and to provide for alternative customer billing options. Both metering and billing services are important means by which Community Power programs will be able to better engage customers and offer more innovative services that lower the energy expenditures and carbon emissions for individual customers and communities.

Lastly, and to enable all municipalities to work together to achieve this purpose, RSA 53-E:3 provides that "*such agreements may be entered into and such services may be provided by a single municipality or county, or by a group of such entities operating jointly pursuant to RSA 53-A."*

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."*

The law further provides that Community Power programs "*shall not be required to own any utility property or equipment to provide electric power and energy services to its customers*."

Enabling locally controlled Community Power programs, in order to exercise local control over these authorities and bring in third-party competitors to provide more innovative services on a community-wide scale, represents a viable and stable pathway to animate competitive retail markets across New Hampshire — and thus realize a lower-cost, more innovative and sustainable future for both our community and all Granite Staters.

Enfield is committed to using its local control authorities granted under RSA 53-E to accelerate innovation, customer and community choice in electricity supply, the creation of new economic value, and a sustainable and resilient future for our Town of Enfield and customers.

Attachment 2: The Community Power Coalition of New Hampshire

Enfield is a founding member of the Community Power Coalition of New Hampshire ("CPCNH" or "the Coalition"), a nonprofit joint powers agency authorized under RSA 53-A and governed by participating communities under the terms of the Joint Powers Agreement unanimously approved by Enfield's Selectboard on September 7, 2021.

The Joint Powers Agreement is available on the Coalition's webpage (http://www.cpcnh.org). The agreement includes the nonprofit's Bylaws and Articles of Agreement, and details the common purpose, authorities, structure, Board of Directors, committees, cost sharing principals, liability protections, and other aspects of the organization.

The Coalition was incorporated on October 1, 2021 by the following founding local government Members: the cities of Lebanon, Nashua and Dover; the towns of Hanover, Harrisville, Exeter, Rye, Warner, Walpole, Plainfield, Newmarket, Enfield and Durham; and Cheshire County.

Each Member has appointed a Director and Alternate to serve on the Coalition's Board of Directors. The Board will directly oversee the initial startup and implementation activities of the Coalition.

Municipalities that adopt the Joint Powers Agreement in the future may subsequently apply for membership in the Coalition under the terms and procedures provided for under the agreement.

Coalition Design Process

The Coalition "Organizing Group" was initially convened in December 2019, with communities interested in Community Power meeting regularly to research national best practices and explore the viability of establishing a collaborative nonprofit to share services across municipalities and counties:

- The Coalition's initial Organizing Group consisted of the cities of Lebanon and Nashua, the towns of Hanover and Harrisville, and Cheshire County;
- Technical and community advisors included representatives from both Thayer School of Engineering and Tuck School of Business at Dartmouth, the Monadnock Sustainability Hub, Clean Energy New Hampshire, Growing Edge Partners and Community Choice Partners;
- Activities were carried out in four working group tracks: Governance Agreements, Regulatory and Policy Engagement, Design and Implementation, and Community Engagement.

Members of the Coalition's Organizing Group have:

- Participated in the Community Power informal rule drafting process, including by providing the initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and leading significant portions of the subsequent stakeholder workshops at the request of Public Utilities Commission staff;
- Intervened in regulatory proceedings and legislative hearings to represent the interests of communities and customers, such as by advocating for expanded data access in the Commission's Statewide Data Platform docket, DE 19-197, and successfully negotiating the clarification and expansion of key Community Power authorities in House Bill 315;
- Assessed power agency design best practices — in terms of public governance and competitive operating models — by interviewing elected officials, senior staff and vendors operating Community Power programs in other states, along with representatives from public power

associations (such as the American Public Power Association and the Vermont Public Power Supply Authority) and other industry experts; and

- Hosted a virtual summit on Community Power that was attended by over eighty representatives from thirty-one municipalities, collectively representing one-quarter of the state's default electricity market.

The City of Lebanon, using grant funding and in collaboration with the Organizing Group executed legal, community engagement and professional service contracts to help formally establish and implement the Community Power Coalition of New Hampshire.

Joint Powers Agreement Drafting Process

The Organizing Group began by surveying other Community Power states and the broader public power industry, assessed the legal and governance structure of a selection of successful nonprofit power agencies that provide services to multiple municipal members, and interviewed staff and elected officials involved.

After discussing joint governance issues and reviewing the governance documents of comparable entities, the Organizing Group created a draft Joint Powers Agreement for the Coalition in July 2020. In September 2020, the City of Lebanon and Town of Hanover, in collaboration with the Organizing Group, reviewed six responses to a Request for Qualifications and retained the legal services of Duncan, Weinberg, Genzer & Pembroke (DWGP). The firm was hired to provide advice on key aspects of joint power agency governance and to finalize the Coalition's Joint Powers Agreement, in compliance with RSA 53-A., with additional support provided by New Hampshire counsel on a subcontracted basis. DWGP are national leaders with over 50 years in public power legal guidance, and the project was led by DWGP President Michael Postar Esq.

The Joint Powers Agreement was finalized in December 2020.

Outreach and Implementation Process

In February 2021, the City of Lebanon, using previously secured grant funding and in collaboration with the Coalition's Organizing Group, contracted with Henry Herndon (formerly the Director of Local Energy Solutions at Clean Energy New Hampshire) and Samuel Golding of Community Choice Partners, Inc., to provide implementation support services prior to launch.

Mr. Herndon is facilitating branding and policy communication efforts, drafting an outreach strategy, compiling resources and facilitating the engagement of prospective members, and onboarding new members and their representatives throughout the state to the Coalition.

Mr. Golding is advising on Community Power rule development at the Public Utilities Commission and other regulatory and legislative affairs, drafting Electric Aggregation Plans and supporting municipalities through the local approval process, creating educational materials and presentations, drafting a business plan and budget for the Coalition, advising on Board policies and staffing, preparing vendor surveys and a request for proposals for the services and financing required to launch Community Power programs, and assisting in the bid evaluation, award and contracting process.

Attachment 3: New Hampshire's Renewable Portfolio Standard

New Hampshire's Electric Renewable Portfolio Standard ("RPS") statute, RSA 362-F, established the renewable energy policy for the State.

The RPS statute requires each electricity provider, including Liberty Utilities, Eversource Utilities, NH Electric Coop and Enfield Community Power, to meet a certain percentage of customer load by purchasing, generating or otherwise acquiring Renewable Energy Certificates ("RECs"):

- One REC represents the renewable attributes of one megawatt-hour of electricity, or the equivalent amount of useful thermal energy.
- RECs are generated by certified renewable energy facilities for power that is physically delivered into the New England wholesale electricity market operated by ISO-New England (which means the power can come from within New England, New York or eastern Canada).
- The New England Power Pool Generation Information System (NEPOOL GIS) issues and tracks RECs for the region.
- RECs are generally used for compliance in the same year as the renewable power was generated, though suppliers may "bank" RECs for up to two years to meet up to 30% of compliance requirements.

There are four distinct "classes" of renewable certificates under the RPS, each distinguishing between different technologies and dependent upon the year that the generators came online:

1. Class I is divided between thermal and non-thermal renewables:
    - Class I non-thermal electricity, from generators that came online after January 1, 2006: wind, solar, small hydroelectric, methane (biologically derived such as from anerobic digestion of organic materials), biomass, hydrogen (from methane or biomass), ocean thermal, current, tidal or wave energy and also biodiesel (if produced in state).
    - Class I thermal energy, from generators that came online after January 1, 2013 (and are producing thermal energy, rather than electricity): geothermal, solar thermal, biomass and methane.
2. Class II: solar generation that came online after January 1, 2006
3. Class III: biomass & methane that came online before January 1, 2006
4. Class IV: small hydroelectric that came online before January 1, 2006

Electricity suppliers must obtain RECs for each of the four classes of renewables as a set percentage of their retail electric load, which increase on an annual basis (until plateauing after 2025, unless the RPS is raised in future):

Compliance Year	Total RPS Requirement	Class I Non-Thermal	Class I Thermal	Class II Solar	Class III Biomass & Methane	Class IV Small Hydro
2020	**20.70%**	8.90%	1.60%	0.70%	8.00%	1.50%
2021	**21.60%**	9.60%	1.80%	0.70%	8.00%	1.50%
2022	**22.50%**	10.30%	2.00%	0.70%	8.00%	1.50%
2023	**23.40%**	11.00%	2.20%	0.70%	8.00%	1.50%
2024	**24.30%**	11.90%	2.20%	0.70%	8.00%	1.50%
2025 onwards	**25.20%**	12.80%	2.20%	0.70%	8.00%	1.50%

Note the following flexibilities in meeting Class I requirements:

- Class I non-thermal requirements may be met with Class I thermal biomass and methane resources;
- Class I requirements may also be met with Class III (biomass & methane, thermal and non-thermal) or Class IV (small hydroelectric, non-thermal) resources that have been restored through significant investment or have otherwise begun generating in excess of historic baselines; and
- Solar that came online after January 1, 2006 may be used to satisfy Class II or Class I requirements.

Additionally, net metered customers (primarily customers with solar photovoltaics) that meet certain registration and administrative requirements can track and sell their RECs (which are accounted for in NEPOOL's Generation Information System). Not all customers do, however, and the REC production from such customer generators are estimated by the Public Utilities Commission each year and applied to lower the Class I and Class II procurement requirements of the utilities and other suppliers.

If the electricity providers are not able to meet the RPS requirements by purchasing or acquiring renewable energy certificates, they must pay alternative compliance payments (ACPs). The funds are used for a variety of renewable programs in New Hampshire.

The result is that these alternative compliance payment prices essentially act as a price ceiling for the REC market in New Hampshire. The ACPs for RECs by class in recent years are:

Inflation Adjusted Alternative Compliance Payment Rate ($ per Megawatt Hour)					
	2017	**2018**	**2019**	**2020**	**2021**
Class I (Non-Thermal)	$ 56.02	$ 56.54	$ 57.15	$ 57.61	$ 57.99
Class I Thermal	$ 25.46	$ 25.69	$ 25.97	$ 26.18	$ 26.35
Class II	$ 56.02	$ 56.54	$ 57.15	$ 57.61	$ 57.99
Class III	$ 55.00	$ 55.00	$ 55.00	$ 34.54	$ 34.99
Class IV	$ 27.49	$ 28.00	$ 28.60	$ 29.06	$ 29.44

For example, Eversource, Unitil and the New Hampshire Electric Cooperative have recently made alternative compliance payments instead of purchasing certain categories of RECs:

2019	Alternative Compliance Payments (ACPs)					
Company	**Class I**	**Class I Thermal**	**Class II**	**Class III**	**Class IV**	**Total**
Liberty Utilities	$ -	$ -	$ -	$ -	$ -	$ -
New Hampshire Electric Cooperative	$ -	$ 187,192	$ -	$ -	$ -	$ 187,192
Eversource Energy	$ -	$ 519,893	$ -	$ -	$ -	$ 519,893
Unitil Energy Systems, Inc.	$ -	$ -	$ 1,029	$ -	$ -	$ 1,029
Distribution Utilities Subtotal	**$ -**	**$ 707,085**	**$ 1,029**	**$ -**	**$ -**	**$ 708,114**

For additional information on the Renewable Portfolio Standard, refer to:

- New Hampshire's RPS statute (RSA 362-F)
- Public Utilities Commission RPS Website
- New Hampshire Renewable Energy Fund Annual Report (1 October 2020)
- UNH Sustainability Institute Study: New Hampshire RPS Retrospective 2007 to 2015

Attachment 4: Utility Default Procurement Cycles and Rate Setting

Enfield Community Power has a goal of maintaining competitive default rates compared to their local Utilities, while also offering voluntary products that retail customers may opt-in to receive.

The timing of the program's rate setting decisions and, to a certain degree, the procurement of electricity will need to consider when their local Utility conducts these same activities (particularly for the program's default electricity product).

As context, Eversource, Liberty Utilities and Unitil all issue requests for proposals (RFPs) twice annually for competitive suppliers to assume load-serving entity obligations and supply default customers with electricity for 6-month "strip" periods, with suppliers bidding to serve individual "tranches" or segments of customers by class.

The procurement schedules, tranches and rate practices for each distribution utility are:

- **Eversource** (Public Service Company of New Hampshire): issues RFPs in May and November with bids due in early June and December for suppliers to begin serving customers in August and February, offering four ~100 MW tranches to serve small customers and a single tranche to serve large customers (five tranches in total). Retail rates are fixed over the 6-month period for small customers and vary by month for large customers.
- **Liberty Utilities**: follows the same supplier RFP schedule and retail pricing as Eversource but (1) solicits supply for small customers in a single 6-month block tranche and for large customers in two, consecutive three-month block tranches (3 tranches total), and (2) allows bidders to include and price RPS compliance obligations separately (as an additional product).
- **Unitil**: issues RFPs in March and August for delivery beginning in June and December, offering tranches of residential, small commercial, outdoor lighting and large customers classes (four tranches). The large customer RFP is structured in a distinct fashion, in that it passes through market costs for energy and so suppliers compete to price capacity, congestions, ancillary services, etc. for the large customer tranche over the 6-month term; retail rates reflect these load-serving entity costs along with the pass-through of real time locational marginal market prices (which are load-weighted by the entire class' hourly load shape i.e., not the individual large customer's usage profile). Retail rates for the residential, small commercial, and outdoor lighting classes are fixed over the 6-month term, though customers have the option to choose variable monthly pricing if the election is made prior to the start of the next 6-month term.

Supplier bids are priced in dollars per megawatt-hour ($/MWh) on a monthly basis and generally exclude Renewable Portfolio Standard (RPS) compliance obligations (called "Renewable Energy Certificates" or "RECs"), though Liberty Utilities allow RECs to be bid as a separate product. Distribution utilities typically procure most or all of their supply of RECs through competitive solicitations held separately from the auctions for default electricity service.

New Hampshire's RPS requires all electricity suppliers to procure or otherwise obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2022, Liberty Utilities is required to include 22.5% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS.

Refer to Attachment 3 for further details on the RPS.

Attachment 5: Overview of Utility Net Energy Metering Tariffs

Discussion of Utility Net Metering, Group Net Metering and Low-Moderate Income Solar Project Tariffs

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

The credits and compensation customer-generators receive for electricity exported to the grid are defined under Net Energy Metering (NEM) tariffs offered by Eversource, Liberty Utilities, Unitil and the New Hampshire Electric Co-op (NHEC). Note that:

- NHEC is member-owned cooperative and as such, its rules and regulations are approved by its Board of Directors and are not subject to regulation by the Public Utilities Commission. Additional information regarding NHEC's Net Energy Metering tariffs may be found online under their "Terms and Conditions".
- The Public Utilities Commission regulates the distribution utilities' Net Energy Metering (NEM) tariffs in accordance with PUC Rule 900 and RSA 362-A:9 (refer to RSA 362-A:9, XIV specifically for Group Net Metering statutes).

The remainder of this chapter concerns NEM tariffs regulated by the Public Utilities Commission. Note that:

- NEM tariffs offered by the utilities underwent a significant change several years ago;
- Customer-generators that installed systems before September 2017 may still take service under the "NEM 1.0" tariff ("standard" or "traditional" NEM); whereas
- Systems installed after August 2017 must take service under the "NEM 2.0" tariff ("alternative NEM")
- NEM 1.0 customers are allowed to switch to taking service under the NEM 2.0 tariff, but cannot subsequently opt-back to NEM 1.0 (with limited exceptions, e.g., participation in certain pilot programs).

Under both tariffs, customer-generators are charged the full retail rate for electricity supplied by their local utility and receive credits for electricity they export to the grid for some (but not all) components of their full retail rate. Refer to the next subsection for tables comparing NEM 1.0 to 2.0 tariffs.

To appropriately measure and credit customer-generators taking service under a NEM tariff, the utility installs a bi-directional net meter that records each kilowatt-hour (kWh) supplied to the customer from the grid and also each kWh that flows back into the grid. This data is recorded and collected on a monthly billing-cycle basis.

For NEM 1.0 tariff systems (installed before September 2017), any kWh exported to the grid are netted against kWh consumed. If there is a net surplus of kWh at the end of the monthly billing period (i.e., more power was exported to the grid by the customer-generator than was consumed)

those surplus or negative kWh are carried forward and can be used to offset future kWh consumption (so the customer only pays for their "net" energy consumption).

For NEM 2.0 tariff systems (installed after August 2017), all customer-generators receive a monetary credit for each kWh that is exported valued at 100% of their default electricity supply rate component for the month. Smaller systems (up to 100 kilowatts in size) additionally receive credits for 100% of the transmission component and 25% of the distribution component of their retail rate. (Larger systems, up to 1,000 kilowatts in size, only receive full credit for the electricity supply rate component.)

Note that most customer-generators in Enfield Community Power are expected to be taking service under NEM 2.0 tariffs going forward.

Any credits that accumulate over time are tracked and used to offset the customer-generator's future electricity bills. Customers may also request to cash-out their surplus credit once a year, after their March billing cycle, if the balance exceeds $100 (or any balance in the event of moving or service disconnection). NEM 1.0 surplus balances are tracked as kWh credits and are converted to dollars at wholesale avoided costs, while NEM 2.0 surplus balances are tracked as monetary credits directly (in dollars). Note that these cash-outs are treated as taxable income by the Internal Revenue Service (IRS). Payments of $600 or more remitted to the customer are accompanied by a 1099 form for the IRS. Utilities may also issue IRS Form 1099s for smaller amounts.

Alternatively, Group Net Metering is a process that allows any customer-generator to share the proceeds of their surplus generation credits to directly offset the electricity bills of other customers, which is financially more advantageous and can increase the effective value of the system. All the members in the group need to be within the same distribution utility service territory but may be served by different suppliers. The credits are calculated based on the host site's NEM tariff and retail rate, and payments are credited to offset the electricity bills of each member directly by the utility (assuming the utility is billing the customers for supply). These allocations are governed by a Group Net Metering Agreement between the host customer-generator and group members, which is part of the registration process overseen by the Public Utilities Commission.

Note that larger systems (up to 1,000 kilowatts in size) actually have to register as group hosts in order to qualify for net metering in the event that the customer-generator exports more than 80 percent of the power produced onsite to the distribution grid. Additionally, if the electricity exported from larger systems exceeds the total electricity usage of the group on an annual basis, the credit for the residual amount (e.g., electricity exported in excess of the group's total usage) is re-calculated based on their utility's avoided cost of electricity supply. This rate is lower than the NEM credit based on the customer-generator's retail rate, and results in a downward payment adjustment issued by the utility to the host customer. Residential systems under 15 kilowatts, however, are not subject to this adjustment.

Most recently, a Low-Moderate Income (LMI) Community Solar Project option has been implemented under Group Net Metering. The program currently provides an incentive of 3 cents per kWh (dropping down to 2.5 cents after July 2021) in addition to the host site's NEM credits, and solar systems may be either rooftop or ground-mounted systems. To qualify, groups must include at least five residential customers, a majority of which are at or below 300 percent of the federal poverty guidelines, and non-residential customers cannot account for more than 15 percent of the total projected load in the group.

Lastly, all group hosts (except for residential systems under 15 kilowatts) must file an annual report with the Public Utilities Commission and their utility that includes the annual load of the host and members, annual total and net surplus generation of the host site system, and additional information for Low-Moderate Income Community Solar Projects.

In addition to NEM credits, all customer-generators have the option of selling the Renewable Energy Certificates (RECs) produced by their systems. This can provide an additional revenue stream to customer-generators, but requires a separate REC meter, registration and ongoing reporting requirement.

Alternatively, the Public Utilities Commission estimates the RECs that could be produced by all customer-generators who do not separately meter and sell their RECs and lowers the Renewable Portfolio Standard procurement requirements for all load-serving entities by an equivalent amount.

Comparison of Utility "Standard" and "Alternative" Net Energy Metering Tariffs

The tables below compare the two tariff structures, which offer different credits to customers depending on the size of their installed system:

Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid

	NEM 1.0 *"Standard NEM"* *Offered prior to 9/1/2017*	**NEM 2.0** *"Alternative NEM"* *Effective 9/1/2017*
Large Systems *100 Kilowatts to 1 Megawatt*	Full credit (at the customer's retail rate) for electricity supply only	
Small Systems *≤ 100 Kilowatts*	Full credit for electricity supply, distribution, transmission, System Benefits, Stranded Cost & Storm Recovery charges	Full credit for electricity supply and transmission; 25% credit for distribution & no credit for other charges

As shown in the table above, levels of compensation for small customer-generators (with systems up to 100 kilowatts) were lowered, such that these customers no longer receive full compensation on their distribution rate component or several other small charges (e.g., the System Benefits, Stranded Cost and Storm Recovery charges).

Additionally, the NEM 2.0 tariff modified the type of credit, and the ways credits for surplus generation are tracked and refunded, for both small and large customer generators:

- Under NEM 1.0, any surplus generation would be tracked as a kilowatt-hour (kWh) credit, which was carried forward to offset the customer's consumption (and bill) in future months. For any kWh credits remaining on an annual basis (at the end of March each year), such customers have the option of either continuing to bank their credits to offset future usage, or to convert the kWh credit into a monetary credit, at a rate set by the Public Utilities Commission (typically ~3-4 cents per kilowatt-hour) and to apply the amount to their account or receive a check for the amount owed.
- Under NEM 2.0, kWh credits are automatically converted into a monetary credit every month,

valued at the customer's retail rate for that specific month. Customers have the option of either carrying the credit forward to offset to their electricity bill in future months or may receive the refund directly as a check.

The crediting mechanism under NEM 1.0 was relatively more advantageous for customers in one respect. Solar systems generate more power in the spring and summer months relative to other seasons; consequently, the credits that customer-generators would accrue during the summer months would offset their consumption in the winter months on a one-to-one, kWh per kWh basis. This is advantageous because winter supply rates are above summer rates on average.

In another respect, NEM 2.0 offers an advantage to customers that accrue surplus credits over the course of the year, because the surplus is calculated based on components of the customer's retail rate — which is higher than the ~3-4 cents per kilowatt-hour value that is applied to convert NEM 1.0 kWh credits into a monetary credit whenever customers elect to cash-out their surplus.

These changes are summarized in the table below, and apply to all customer-generators regardless of system size:

NEM 1.0 *"Standard NEM"* *Offered prior to 9/1/2017*	**NEM 2.0** *"Alternative NEM"* *Effective 9/1/2017*
kWh credit carried forward. May be refunded at a rate calculated by the Public Utilities Commission (typically ~3-4¢ per kWh).	kWh converted to monetary credit automatically each month. Monetary credit carried forward as a bill credit or refundable.

Additional details may be found in the Eversource, Liberty Utilities and Unitil tariffs and the Public Utilities Commission website:

- Eversource Tariffs
- Unitil Tariffs
- Liberty Utilities Tariffs
- PUC overview of Net Metering
- PUC graphic explanation of NEM 1.0 vs. NEM 2.0.

Net Energy Metering Systems by Utility Territory

According to the most recent Energy Information Agency (EIA) Form 861m data, there are about 11,000 customer-generators taking service under Net Energy Metering tariffs in New Hampshire, with a cumulative installed capacity of approximately 140 megawatts (in terms of nameplate capacity in alternating current, or "AC"). Estimated numbers of customer-generators and installed capacity by technology are summarized below:

- Solar photovoltaics: ~120 megawatts (MW) and 10,760 customer-generators; note that:
    - Group Net Metering accounts for an additional ~1.5 MW serving 56 customers; and
    - Sixteen residential customers, in addition to solar photovoltaics, also have battery

storage systems with a cumulative capacity of 175 kilowatts (an average size of ~11 kilowatts per customer).

- Onsite wind: 412 kilowatts (kW) and 72 customer-generators.
- "Other" technologies (presumably, small hydro or qualifying combined heat and power systems, or "CHP"): ~17.5 megawatts (MW) and 55 customer-generators.

The table below provides the number of customer-generators in each distribution utility territory:

Number of Net Metered Customer-Generators by Technology

	Customer-Generators by Technology				Subsets of Solar PV Customers	
	Total	**Wind**	**Other (CHP or Hydro)**	**Solar PV**	**Group Net Metering**	**Battery Storage**
Eversource	7,949	37	52	7,860	21	0
Unitil	1,066	3	1	1,062	0	0
Liberty Utilities	724	1	0	723	22	16
NHEC	1,204	31	2	1,171	13	0
Total	10,943	72	55	10,816	56	16

The number of customer-generators by customer class with onsite solar photovoltaic systems, total installed capacity, and average solar system size in each utility territory are provided for reference in the tables below.

Note that these tables do not include Group Net Metered systems and participating customers within groups and reflect only installed solar photovoltaic system capacity (i.e., exclusive of onsite battery storage capacity).

Net Metered Solar Photovoltaic Systems: Number of Customer-Generators

	Residential	Commercial	Industrial	Total Customer-Generators
Eversource	7,195	630	35	7,860
Unitil	973	61	6	1040
Liberty Utilities	633	77	0	710
NH Electric Coop	1,065	81	4	1,150
Total	**9,866**	**849**	**45**	**10,760**

Net Metered Solar Photovoltaic Systems: Total Installed Capacity (MW-AC)

	Residential	Commercial	Industrial	Total Installed Capacity (MW-AC)
Eversource	54.15	29.66	5.09	88.91
Unitil	7.40	2.30	0.73	10.43
Liberty Utilities	4.78	5.12	0.00	9.90
NH Electric Coop	7.61	2.46	0.60	10.66
Total	73.94	39.54	6.42	119.90

Net Metered Solar Photovoltaic Systems: Average System Size (kW-AC)

	Residential	Commercial	Industrial	Average System Size (kW-AC)
Eversource	7.5	47.1	145.5	66.7
Unitil	7.6	37.8	121.2	55.5
Liberty Utilities	7.6	66.5	N/A	24.7
NH Electric Coop	7.1	30.3	149.0	62.2
Average	**7.5**	**45.4**	**138.6**	**52.3**

Attachment 6: Enfield Community Power Net Metering, Group Net Metering and Low-Moderate Income Solar Project Opportunities

Please refer to Attachment 5: Overview of Utility Net Metering Tariffs as context for this section.

RSA 362-A:9,II grants Community Power programs broad statutory authority to offer customer-generators new supply rates and terms for the generation supply component of Net Energy Metering (NEM). The relevant statutory authority is quoted in full below:

> *"Competitive electricity suppliers registered under RSA 374-F:7 and municipal or county aggregators under RSA 53-E 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 customer-generators. The commission may require appropriate disclosure of such terms, conditions, and prices or credits. Such output shall be accounted for as a reduction to the customer-generators' electricity supplier's wholesale load obligation for energy supply as a load service entity, net of any applicable line loss adjustments, as approved by the commission. Nothing in this paragraph shall be construed as limiting or otherwise interfering with the provisions or authority for municipal or county aggregators under RSA 53-E, including, but not limited to, the terms and conditions for net metering."*

Enfield Community Power intends to offer a NEM generation rate and terms to customers with onsite renewable generation eligible for net metering from their local utility. Note that any non-supply related components of the Net Energy Metering tariff (e.g., credits for transmission and distribution) will continue to be provided to customer-generators directly by their utility.

How Enfield Community Power calculates, accounts for, and provides NEM credits to participating customer-generators for the different types of eligible system sizes, customer types and group configurations will have a number of important financial and practical implications for the program and customers in the Town of Enfield.

Enfield Community Power also anticipates encountering practical challenges of an operational nature in administering net metering and group net metering programs. This is partly because net energy metering continues to evolve in response to new policy and regulatory requirements, and the day-to-day processes that govern the coordination between the program, participating customers and their local Utility are subject to refinement and change over time.

In particular, Enfield Community Power will be one of the first default aggregation programs to launch in New Hampshire, and the process of transferring significant numbers of NEM customers may cause unanticipated issues due to the metering, billing and data management requirements of this subset of customers. Enfield Community Power will maintain close coordination with their local utilities to expeditiously resolve any such issues that may occur.

For example, Enfield Community Power may decide to separately issue supply bills to customers that have installed systems after September 2017.

The advantage in dual-billing this subset of customers stems from what is essentially an accounting irregularity in how utility billing systems currently treats customer-generators taking service under the NEM 1.0 tariff, which applies to systems installed before September 2017, versus the NEM 2.0 tariff, which applies to all systems installed after that date. As context:

- The cumulative surplus generation exports of net metered customer-generators will decrease

the amount of electricity that Enfield Community Power will have to purchase from the regional power market to supply other customers in the program. The surplus generation from both NEM 1.0 and NEM 2.0 customer-generators is tracked and netted out from the program's wholesale load obligations by their local utility for this purpose.

- However, for the purpose of netting out of the program's Renewable Portfolio Standard (RPS) compliance requirements, the surplus generation from NEM 1.0 customers is tracked and accounted for differently than it is for NEM 2.0 customers:
    - Surplus generation from NEM 1.0 customers is tracked as a kWh credit that is carried forward to offset the customer's future electricity supply requirements; these kWh credits will be counted as an offset that decreases the total electricity supplied by the program to retail customers in aggregate — which lowers the program's RPS compliance obligation.
    - Surplus generation from NEM 2.0 customers is tracked as a monetary credit that is carried forward to offset the customer's future electricity bills; even though the monetary credit is calculated each month based on every customer's kWh surplus generation, the monetary credit is treated as a re-sale or delivery of power generated by NEM 2.0 customer and provided to other participating customers through the program — it is not treated, in other words, as an offset that decreases the total electricity supplied by program to retail customers in aggregate — and therefore does not lower RPS compliance obligations in the same way.

  The practical consequence of this accounting treatment is that Enfield Community Power would have to purchase Renewable Energy Certificates for the amount of surplus generation supplied by NEM 2.0 customer-generators (but not NEM 1.0 customer-generators) in the same way as if the program had imported that amount of electricity from the regional wholesale market.

- Taking on the responsibility of billing this subset of NEM 2.0 customers directly may allow Enfield Community Power to track and account for the impact of their surplus generation in ways that lower the program's RPS compliance obligations and costs. Specifically, the program could credit customers currently on the utility's NEM 2.0 tariff in the same way that NEM 1.0 customers are credited (i.e., using kWh credits to track surplus generation on the supply portion of the bill). Note that RSA 362-A:9,II explicitly grants Community Power programs the flexibility to offer net metered customers either:
    - A "*credit, as an offset to supply*" for their surplus generation, which is equivalent to the NEM 1.0 tariff accounting; or
    - To "*purchase the generation output exported*", which is equivalent to how the NEM 2.0 tariff tracks surplus generation.

  Exercising the first option listed above, by offering NEM 2.0 customers a kWh credit tracked as an offset to supply, would allow Enfield Community Power to harmonize the accounting treatment of NEM 1.0 and 2.0 surplus generation for the purpose of program RPS compliance reporting. This would lower program rates and is an option that the program may therefore find cost-effective to implement.

  Additionally, certain customer-generators currently receiving IRS Form 1099 taxable income from monetary credits paid out by their utility under NEM 2.0 tariff may benefit financially from receiving kWh credits for the supply portion of their monthly surplus generation instead.

While dual billing is typically avoided — as it is less convenient for most customers to receive a separate bill from their utility and supplier — customers with onsite generation systems tend to be highly informed on energy issues and respond positively to more active engagement with both their utility and supplier.

Consequently, dual billing may enhance customer satisfaction, awareness and ongoing participation in the program for customer-generators. Furthermore, dual billing could be done electronically, which is more convenient for the customer and less costly for the program than sending paper bills.

Furthermore, Enfield Community Power may be able to create additional value for customer-generators through a combination of dual billing, assistance with metering upgrades and time-varying rate structures. For example:

- Many customer-generators with solar systems may benefit from local programs that help them reduce their full energy bill costs;
- Providing the customer with a separate supply-only bill would allow Enfield Community Power to also offer a time-varying rate (which may not otherwise be available through their local Utility's billing system);
- Upgrading to an interval meter (if the customer does not have one) and installing onsite battery storage, combined with a time-varying rate, may enable the customer-generator to further lower their overall bill by shifting their pattern of electricity usage at times of high-power prices and constrained generation and transmission capacity. This could also help to manage and lower the program's electricity supply costs in aggregate as well, and thus benefits all participating customers.

Similarly, Enfield Community Power may be able to streamline the process and cost of installing REC production meters, registering customer-generators and purchasing their RECs for the onsite power generated to satisfy part of the program's overall RPS compliance requirements. This would allow the program to source RECs locally and would provide an additional source of revenue for customer-generators in the Town of Enfield.

Enfield Community Power also intends to evaluate ways to enhance the value of the NEM credits that customers receive overall, from both the program and their local utility. For example, customer-generators may benefit by becoming hosts in Group Net Metering, including by establishing a Low-Moderate Income Solar Project group. The program may be able to streamline the process required to do so, which entails:

- Matching customers interested in becoming members with prospective group hosts;
- Executing a Group Net Metering Agreement together;
- Registering the group with the Public Utilities Commission and their local utility; and
- Thereafter filing annual compliance reports.

Lastly, NEM tariffs are subject to revision and Enfield Community Power, through the Coalition, intends to work with their local utility, participate in Public Utilities Commission proceedings and engage at the Legislature on issues that impact how the tariffs evolve going forward.

Customers are increasingly adopting new energy technologies and expect to be offered rates and services that provide them with new choices and fair compensation based on their investment; the

program's ability to assist customers in these ways is heavily dependent on how state policies and utility regulations evolve over time.

Enfield Community Power will seek to represent the interests of our community and customers in these matters.

Attachment 7: Enfield's Public Planning Process

Members of the Enfield Energy Committee began attending meetings in the Upper Valley related to the aggregation of multiple Towns/Cities accounts to provide more control over the costs and sources of electricity in mid 2020. They brought the information to the Selectboard and Town Manager for consideration early in 2021. At that time the Selectboard recommended the formation of the sub-committee to provide more information and ensure Enfield was part of the discussion. This became the Enfield Community Power Committee, a sub-committee of the Enfield Energy Committee.

After gathering information on how community aggregation works, how it could benefit Enfield, and how the Community Power Coalition of NH (CPCNH) was developing, this committee presented the Joint Powers Agreement to the Selectboard and Town Manager for approval to allow Enfield to be part of planning and discussion on a specific community aggregation program with CPCNH.

The JPA (Joint Powers Agreement) was signed in Sept of 2021. The Community Power sub-committee provided a first draft of this Plan, Enfield Community Power Plan, and held public hearings on Dec 7 and Dec 15, 2021.

There will be third public hearing on February 8th and a vote at Town Meeting on March 12th to adopt the Enfield Community Power Plan.

After that when CPCNH launches their services, the Selectboard will have an opportunity to review a contract for moving Enfield default service to CPCNH.

Attachment 8: Abbreviations

Acronym	Meaning
AC	Alternating Current (electric current that reverses direction many times a second at regular intervals; the N. American standard for power supply is 60 Hertz)
ACP	Alternative Compliance Payment (under the NH Renewable Portfolio Standard)
CEPS	Competitive Electric Power Suppliers
CHP	Combined Heat and Power
CPA	Community Power Aggregation
CPCNH	Community Power Coalition of New Hampshire
EAC	Electric Aggregation Committee
EAP	Electric Aggregation Plan
ISO-NE	Independent System Operator New England (the wholesale electricity market operator)
KW	Kilowatt (a measure of electrical capacity, equivalent to 1,000 watts of power)
kWh	Kilowatt-hour (a measure of electrical energy, equivalent to using or producing 1,000 watts for 1 hour, and typically used to refer to customer generation or onsite usage)
MW	Megawatt (a measure of electrical capacity, equivalent to 1,000,000 watts of power)
MWh	Megawatt-hour (a measure of electrical energy, equivalent to using or producing 1,000,000 watts for 1 hour, and typically used in reference to power plants or large aggregations of customers)
NEM	Net Energy Metering (tariffs that provide compensation for customer-generators)
NEPOOL GIS	The New England Power Pool Generation Information System (which issues and tracks Renewable Energy Credits)
NHEC	New Hampshire Electric Co-Op (a member-owned electric distribution cooperative)
NHPUC	New Hampshire Public Utilities Commission (which regulates NH's investor-owned electric distribution utilities: Eversource, Unitil and Liberty Utilities)
PV	Solar Photovoltaics
REC	Renewable Energy Credit (under the NH Renewable Portfolio Standard)
RPS	New Hampshire's Renewable Portfolio Standard (authorized under RSA 362-F)
RSA	Revised Statutes Annotated (refers to the codified state law of New Hampshire)