

Coalition Policies

Energy Portfolio Risk Management

Retail Rates

Financial Reserves

Data Security & Privacy



**COMMUNITY
POWER COALITION
OF NEW HAMPSHIRE**
For communities, by communities.



3 R's: Risk, Rates, Reserve Policies

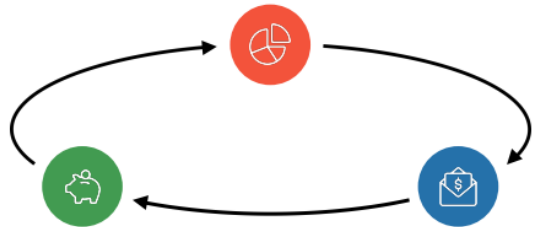
Objectives: (a) meet customer electricity requirements; (b) obtain best available rates; (c) maintain rate stability; (d) develop + maintain financial reserves to ensure long-term customer benefits

Energy Portfolio Risk Management Policy

Outlines the mechanisms, financial safeguards, and reporting/transparency to procure electricity for members.

Financial Reserves Policy

Describes how the Financial Reserve will be established/maintained; mechanisms for utilization; how excess reserves are allocated and made available to Members.

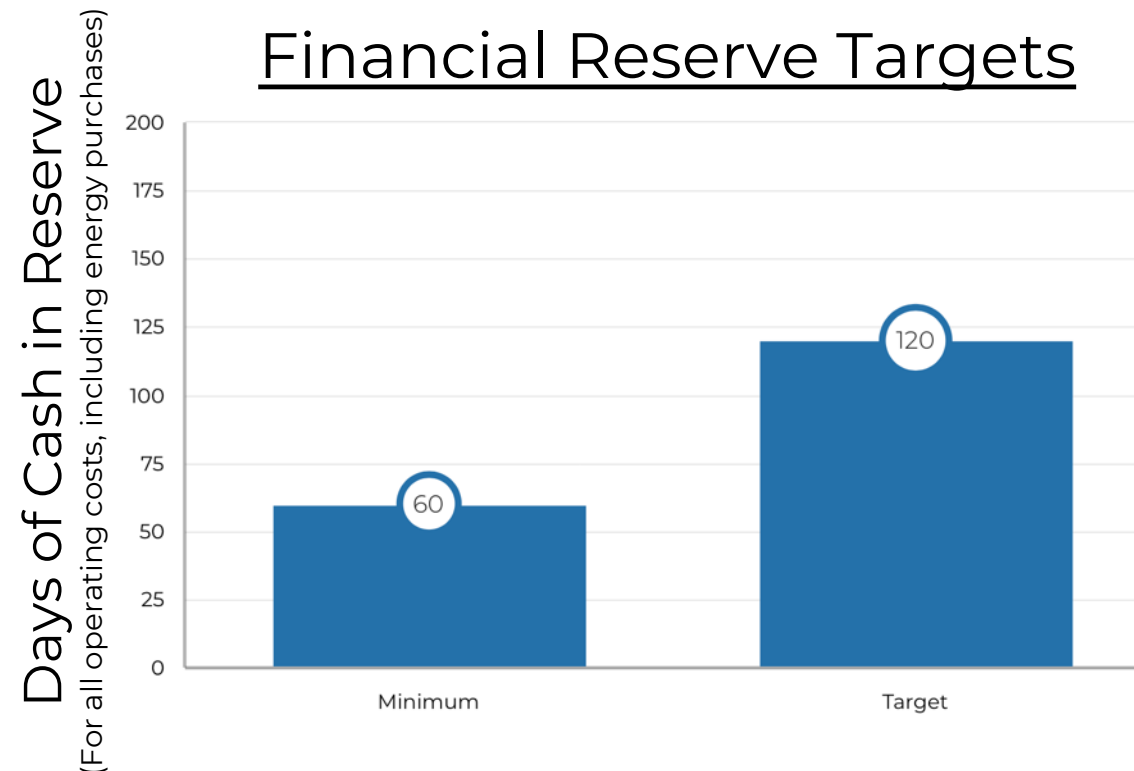


Retail Rates Policy

Describes how retail rates will be set and what types of rates will be offered.

Data Security and Privacy Policy to protect Individual Customer Data

Financial Reserve Targets



Energy Portfolio Risk Management Policy

- 1. Philosophy, Objectives, Scope:** CPCNH purpose is to procure electricity supply for Community Power; EPRM identifies risks & management strategies; objectives are low rates, stability, reserves
- 2. Risk Exposures:** Market, Volumetric, Opt-Out, Counterparty Credit, Liquidity & Collateral, Regulatory, Operational, Reputational
- 3. Strategy & Parameters:** Outlines risk mgmt strategies, metrics, limits, reporting
Position Limits: Requires CPCNH to “close” (*fully hedge*) positions in advance of power delivery to minimize exposure to spot / real-time market swings
- 4. Risk Control Principals:** Separation of roles, protocols, reporting
- 5. Roles, Responsibilities, Organization:** who does what (Board, CEO, Staff, Service Providers)
- 6. Policy Compliance:** Describes how violations will be reported; independent auditing of ERMP every 2 years; Finance Committee review of reserve levels

Retail Rates Policy

- 1. Purpose:** Outline requirements, objectives, authorities, processes for rate setting
- 2. Requirements & Objectives:** Only launch if rates beat utility default; strive to maintain lower rates; offer optional rates
- 3. Amendments:** CPCNH Board approves amendments, with advanced written notice of Board Meetings considering amendments to Members
- 4. Default Rate Setting Process:** CEO, in consultation with Finance and Risk Management Committees, recommends rates for Board approval; Emergency Default Rate Adjustment Authority (with Board approval, and Member noticing).

Retail Rates Policy (2)

5. Rate Structure Types: Discount to Utility; Fixed Price Cost of Service; Time of Use; Net Metering; Index Plus Adder; Fixed and Index Blend; other

6. Rate Product Types & Approval Authorities: Default Service (Granite Basic or Granite Plus) or Local Power Offer

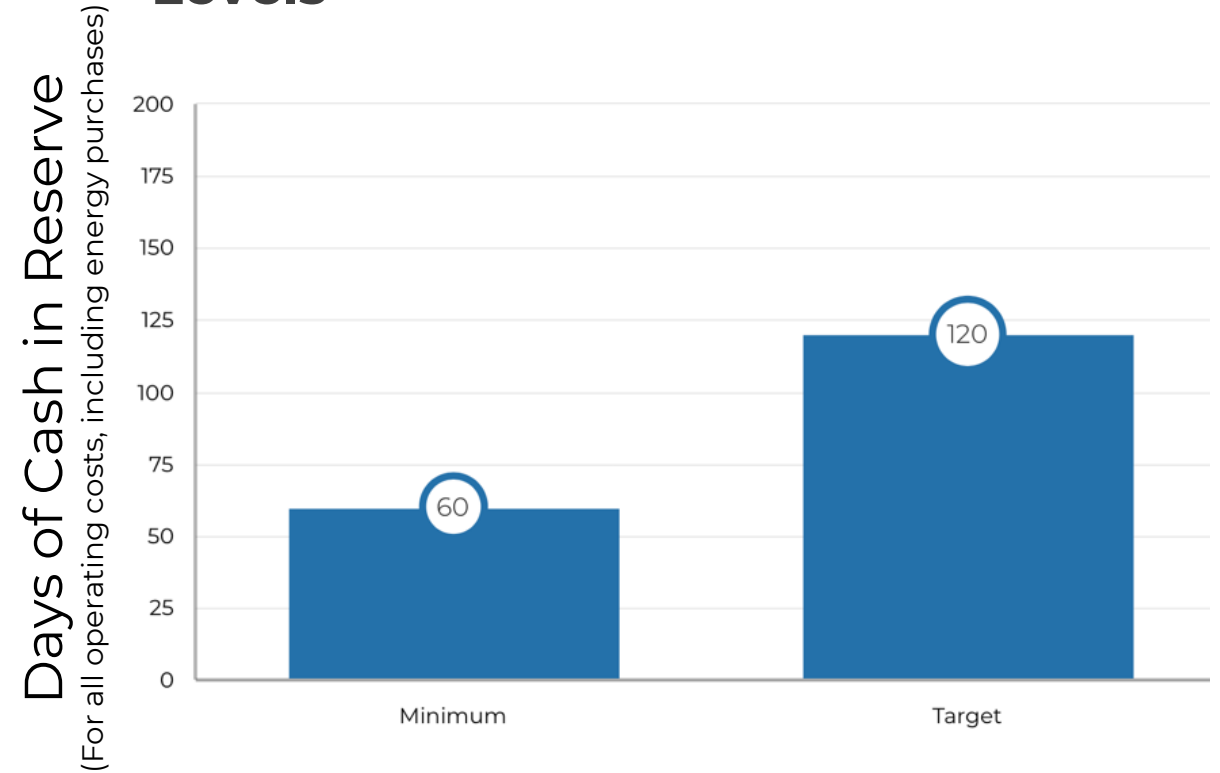
7. Rate Product Content & Member Elections:

Product	Minimum Content	Member Election
Granite Basic	Minimum RPS Content (24.3%)	Default, Opt-Down, or N/A
Granite Plus	~33% Renewable or Carbon Free	Default, Opt-Up, or N/A
Clean 50%	~50% Renewable or Carbon Free	Opt-up or N/A
Clean 100%	100% Renewable or Carbon Free	Opt-up or N/A

Financial Reserve Policy

- 1. Purpose:** Establish minimum, target, and maximum level of Joint Reserves; provides for use of Discretionary Reserves
- 2. Objectives:** Stability; availability of cash when needed; lower financing costs; achieve credit rating; manage risks of EPRM; create shared understanding of reserve use among Members, Staff, etc.; make CPCNH financially stable
- 3. Rights of Members to Reserve Contributions:** Reserves tracked by Member; if Member departs, balance of reserves will be returned to Member

4. + 5. Joint Reserve Target Levels



Data Privacy & Security Policy

- 1. Purpose:** Define goals and controls to safeguard confidentiality, integrity, and availability of confidential individual customer information
- 2. Legal Compliance:** Ensures CPCNH complies with laws and regulations pertaining to individual customer data.



Coalition Agreements

Cost Sharing Agreement

Member Services Contract



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Cost Sharing Agreement

- ⚡ Ensures costs recovered fairly & proportionally from Members
- ⚡ Establishes “Menu of Services”
- ⚡ Mandates regular cost reporting
- ⚡ Provides operational clarity to all parties
- ⚡ Enacts JPA Classification of Costs by:

(1) **General & Administrative** - shared proportionally across Members (pro rata share of annual electricity sales).

(2) **Direct Project** - (only accrue to participating Members);

(3) **Member Services** (\$/MWh & actual)

Includes Member Services Contract for the **Complete Service Bundle “CSB”**

Classification	Cost Factor	Allocation Method
General & Administrative	All Costs	\$/MWh forecasts and annual true-up to pro rata share of <u>actual</u> “Annual Retail Electricity Load” (JPA defined term)
Direct Project	Costs identified in Project Contracts	As specified in Project Contracts
	Unanticipated Costs	As directed by Project Committee vote; alternatively, Member Project Contract participation share %
CPA Member Services <i>Power Supply</i>	All Requirements Electricity	Member CPA actual cost
	Net Hedging	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Optional / Opt-Up Products	Member CPA actual cost
CPA Member Services <i>Operations</i>	Allocated Staff, Overhead & Misc. Svc	\$/MWh
	Member CPA Compliance Costs	Member CPA actual cost
	General Compliance Costs	\$/MWh
	Financing and Credit Support	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Portfolio & Risk Management Services	\$/MWh
	ISO-NE Load Serving Entity (LSE) Services	\$/MWh
	Marketing & Community Services	\$/MWh
	Customer Notifications	\$/Notice
	Data Management & Billing Services	\$/Meter
	Call Center & Customer Services	\$/Meter
	Local Program Design, Admin & Finance	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
CPA Member Services <i>Elective Services</i>	Additional services as authorized by the Board	

Cost Sharing Agreement — Sections

- 1. Recitals, Legislative Context, Purpose** (reference to RSA 53-E, public interest, etc.)
- 2. Amendments:** Uniform for all Members; unanimous vote of Members to Amend
- 3. Membership List**
- 4. Menu of Services:** “Complete Service Bundle” includes all services required to launch & operate program; additional services may be added over time
- 5. Cost Recovery & Liability Limitation:** No taxpayer funds, costs recovered through rates, grants, 3rd party sources; debts, liabilities & obligations of CPCNH shall not be of the Members unless otherwise agreed to under service contract
- 6. Cost Reporting & Records:** Mandates transparency and monthly reporting for cost tracking & allocation; *“Books and records of [CPCNH] shall be open to inspection at all reasonable times to each Member and its representatives”*
- 7. Implementation Costs:** all Members participating during years 1 - 5 allocated the same \$/MWh implementation/start-up costs

Cost Sharing Agreement — Sections (2)

8. + 9. Cost Classification & Allocation: Defines (a) CPA Member Services Costs; (b) General & Admin Costs; (c) Direct Project Costs

10. General Terms & Conditions: Liability protections, indemnification, dispute resolution, commitment to honor contracts

11. Term: Terminates with: (1) CPCNH dissolution; (2) Member withdrawal subject to continuing obligations (Member Service Contract for Complete Service Bundle)

Exhibit C — Member Service Contract for Complete Service Bundle

Recitals: Member desires to implement Community Power for public good, has adopted Electric Aggregation Plan, endorses CPCNH policies, and desires for CPCNH to provide service

Purpose: CPCNH will provide comprehensive services for power supply procurement, data and billing, customer service, etc.;

CPCNH enables public oversight, transparency, unbiased expertise, admin efficiency, short- and long-term benefits, representation at Gen Court & PUC, innovation

Exhibit C — Member Service Contract for Complete Service Bundle

1. **Purpose**
2. **Decision-Making Frameworks for:** Whether & when to procure power, rate product elections, collection of financial reserves, termination
3. **Limitation of Member Liability**
4. **Delegation of Authority & Commitment to Act:** Authorizes CPCNH to act as agent in operating Community Power
5. **Professional Ability & Service Contracts:** CPCNH relies on Staff & hired service providers
6. **Electric Aggregation Plan**
7. **Term; Procurement & Termination; Financial Reserves:** (next slides)
8. **Authorized Officer:** (next slides)
9. **Principal Representative:** Member Representatives & Town Manager/Admin
10. **Amendments.** 11. **Attestation:** Attach Governing Body authorizing resolution

CSB – Term; Procurement & Termination Elections

- ⚡ **Member** may terminate with immediate effect via written notice, provided CPCNH has not authorized power transactions on behalf of **Member**
- ⚡ **Election to Delay:** “Authorized Officer” may delay commencing procurement during the Risk Management Committee (RMC) meeting convened to authorize the “first purchase” of CPCNH on behalf of the Member
 - RMC will call for verbal elections to delay after discussion of market forecast
- ⚡ **Term of Service:** Member may elect to terminate service by submitting notice 36 months in advance of termination date
- ⚡ **Return of Joint Reserves:** After the effective date of a Member’s termination, reserves in excess of the cost incurred by CPCNH as a result of the termination will be allocated back to the Member for its discretionary use

CSB – Early Termination

Early Termination Option 1: Fulfill Waiting Period

- ✓ Upon receipt of termination notice, CPCNH shall inform **Member** of the **minimum waiting period** under which there would be no costs for withdrawal
 - Costs of withdrawal may include losses from the resale of power contracted for by CPCNH to serve the **Member's** load
 - Waiting period = minimum duration by which no costs would be transferred to the remaining Members that have elected the Services

Early Termination Option 2: Covering of Losses

- ✓ **Member** may terminate during the waiting period, provided it first deposits sufficient funds with CPCNH, as reasonably determined by CPCNH and approved by a vote of the Board of Directors, to cover **Member's** liability for outstanding costs
- ✓ **Member** may elect to use its **allocated share of Joint Reserves** or **Discretionary Reserves**, for this purpose

CSB – Authorized Officer

- ⚡ In approving this agreement, the Member's governing body (e.g., select board) either retains some, or all, of these three authorities or delegates them to the Authorized Officer.
- ⚡ **(a)** Delay commencing procurement: (YES/NO);
- ⚡ **(b)** Specify default and optional products: (YES/NO);
- ⚡ **(c)** Set Discretionary Reserve adders: (YES/NO)