Epping Community Power Electric Aggregation Plan



FINAL DRAFT — January 12, 2024

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INTRODUCTION TO COMMUNITY POWER

New Hampshire's updated Community Power law (RSA 53-E, as amended by SB 286, effective October 1, 2019) 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." (Refer to https://www.cpcnh.org/legislative-context for a summary of the legislative context and local control authorities of Community Power.) 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.
- 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. Incidental costs should not include any costs that are more properly accounted for as capitalized or operating costs of the Epping Community Power program.
- The implementation of Epping Community Power will not require any upfront cost for the Town other than such incidental expenses (e.g., the staff time, counsel review of agreements, and other expenses required to comply with the Community Power law before the program starts to generate revenue).
- 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).

INTRODUCTION TO EPPING COMMUNITY POWER

Epping Community Power will be a program authorized under RSA 53:E to procure electricity supply service for the Town's residents, businesses, and other types of customers. Procuring electricity supply involves being responsible for procuring electric generation (supply) to match customer loads (consumption) in real time, except when the grid goes down. The program will only launch if it is able to initially offer residential default rates that are lower than those offered by Eversource and the New Hampshire Electric Co-op (NHEC). Thereafter, the program will:

- Serve as the default electricity supplier for all Eversource and NHEC customers on a default "opt-out" basis which comports with the terms of the state law;
- Offer innovative services and generation rates to customers on an "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 flexible basis so that customers may choose to seamlessly switch between Epping Community Power service provided by Competitive Electric Power Suppliers, and their utilityprovided default service without penalty;
- Be self-funded through revenues generated by participating customers; the Town will not use taxes to cover program expense. All costs associated with operating the program will be incorporated into rates paid by Epping Community Power customers and will not be passed on to taxpayers or customers who chose to opt-out of participating in the program; and
- The Board of Selectmen will retain the right to contract for all electricity supplies for Town municipal facilities, to set rates, and to pursue related projects independently of the Epping Community Power Program.

Eversource and NHEC will continue to own and operate the distribution grid (poles, wires, transformers, substations, etc.) and be responsible for delivering power and in most cases, provide account and billing services to all customers participating in the program within the Town regardless of the electric supplier they choose Customers will continue to be charged for utility delivery services at rates set by the Public Utilities Commission.

Membership in the Community Power Coalition of New Hampshire

A bipartisan Epping Community Power Committee was created and tasked by the Board of Selectmen to form the Epping Community Power entity and to evaluate various energy providers. The Epping Community Power Committee was nominated as an official town committee by the Board of Selectmen on May 18, 2023 with due input from the public, as required under RSA 53-E. Public hearings were held on November 28, 2023 and December 11, 2023.

After reviewing several potential candidates, the committee chose the not-for-profit <u>Community Power Coalition of New Hampshire</u> ("the Coalition"), a joint powers agency authorized under RSA 53-A ("Agreements Between Governments: Joint Exercise of Powers") that operates on a not-for-profit basis to be the physical energy provider for the town. The primary reason to join the Coalition is for the Epping Community Power to take advantage of the Coalition's;

- Comprehensive power procurement agency for contracting with appropriate electricity providers (noting that they too are a potential future supplier/partner if they opt to build their own facilities),
- Their extensive experience authorizing, launching and operating other Community Power programs. Currently fifty other New Hampshire communities are using their services. See Attachment 1 for details on the Community Power Coalition of New Hampshire

On November 13, 2023 the Epping Board of Selectmen voted to enter into the Coalition's Joint Powers Agreement. The Board of Selectmen appointed Michael Vose as member representative to participate in the Coalition's membership meetings, and may delegate certain decision-making authorities to him to carry out their responsibilities at the Board of Selectmen's direction.

Purpose of this Epping Community Power Plan

Epping Community Power Committee also prepared this Epping Community Power Plan, which sets forth Epping's policy goals for our Epping Community Power program, summarizes program governance and implementation processes, and commits Epping Community Power to comply with applicable state 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.
- If it is determined before the program is launched that Epping Community Power will be unable to offer default electric rates that are initially lower than the fixed energy service charge rates offered by Eversource and/or NHEC for residential customers, then implementation of the program will not move forward. The program will not launch unless and until that condition is met.

The Board of Selectmen will authorize the Town Administrator, with support as needed from the Epping Community Power Committee, to contract with Community Power Coalition of New Hampshire for the necessary services and power suppliers to implement and operate the program. The Board of Selectmen, Town Administrator and Epping Community Power will, working collaboratively continue to provide oversight over the program thereafter. Any future decisions made by the Board of Selectmen regarding how to best implement and operate Epping Community Power, including the approval of agreements with selected service providers, will be made at duly noticed public meetings.

Epping Community Power Objectives

To achieve our policy goals, Epping Community Power working in concert with the Board of Selectmen, will be guided by the following objectives:

- Lower Rates: provide residential default rates lower than those offered by Eversource and the New Hampshire Electric Co-op;
- Expanded Choices for Renewable Energy and Other Innovations:
 - o offer optional products, such as energy supply options with higher and lower levels of renewable energy,
 - develop time-varying rates that enable the intelligent use of customer energy technologies to reduce energy expenditures and carbon emissions on a voluntary basis,
 - encourage town development of its own cost-effective clean energy technology projects to supply an affordable, diverse, and resilient energy portfolio going forward such as:
 - develop back-up power supplies where appropriate,
 - ensure the efficient procurement of all types of electric vehicles and necessary charging resources,
 - explore the need, value and benefits of community microgrids and town owned DER

• Fiscal Stability & Financial Reserves:

- ensure the energy contracts entered into by Community Power of New Hampshire on behalf of Epping Community Power are fair and represent the best interest of Epping and its residents,
- o maintain a reserve fund to ensure that the program remains able to offer competitive rates as market prices fluctuate over time,
- o facilitate and support the ability of the town of Epping to create its own a town specific reserve fund at a future date;
- Public Advocacy & Regional Collaborations: represent the interests of Epping and the
 program's customers at the Legislature, Public Utilities Commission and other relevant
 agencies on matters pertaining to Community Power to ensure the program remains
 flexible, robust and cost effective and where appropriate, collaborate with municipalities,
 other Community Power programs and state agencies to collectively achieve these goals;

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

- Create savings and new value for customers;
- Support the vitality and growth of local businesses; and

• To the extent such projects are financially prudent, Epping Community Power will seek to develop local energy assets and generation resources, including renewable generators and battery storage, that can provide power to the program's customers cost effectively.

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

Energy Risk Management, Retail Rates, and Financial Reserve Policies

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

To proceed with launching and operating Epping Community Power through the Coalition:

- The Board of Selectmen would review and approve execution of the Coalition's Cost Sharing Agreement and Member Services Contract, along with the Data Security and Privacy Policy and the Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies approved by the Coalition's Board of Directors.¹
- The Coalition would provide the services and credit support necessary to launch and operate Epping Community Power (along with the programs of other municipalities across the state) and would provide all-requirements electricity to customers participating in the programs.
- Confidential customer data would be handled in accordance with the Data Security and Privacy Policy.
- Power procurement and energy portfolio risk management, rate setting, and the accrual of financial reserves for the program would be carried out in accordance with the Coalition's Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies.
- The Coalition would collect revenues from program customers on the Town's behalf and would recover expenses incurred on behalf of Epping Community Power in accordance with the Cost Sharing Agreement.

Governance of the power agency will be carried out pursuant to the Coalition's Joint Powers Agreement. The Coalition's Board of Directors and committees of Member Representatives — the Executive Committee, Finance Committee, Risk Management Committee, Member Operations and Engagement Committee, Regulatory and Legislative Affairs Committee, Audit Committee, etc. — will continue to meet regularly and carry out their responsibilities to provide oversight and direction, supported by a qualified CEO and staff experts hired to provide day-to-day oversight and management the agency's service providers, operations, planning, and program development activities.

¹ CPCNH's (1) Joint Powers Agreement; (2) Energy Portfolio Risk Management, Retail Rates and Financial Reserves Policies; (3) Data Security and Privacy Policy; and (4) Cost Sharing Agreement and Member Services Contract are publicly available at https://www.cpcnh.org/about under "Key Documents."

Approval Process for Epping Community Power

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

The Board of Selectmen will submit this Plan for consideration by the voters at the Town Meeting March 12, 2024. Adoption of this Plan by the voters at the Town Meeting, by majority approval of those present and voting, establishes Epping Community Power as an approved aggregation plan with statutory authorities defined under RSA 53-E:3 (to be exercised with due oversight and local governance, as described herein), and authorizes the Board of Selectmen, with support from the Epping Community Power committee to arrange and contract for the necessary professional services and power supplies to launch Epping Community Power.

Customer Notification and Enrollment Process

Prior to launch of Epping Community Power, all eligible customers in Town will be mailed notifications and provided the opportunity to "opt-out" of the program and continue to take their default service from either Eversource or NHEC and NOT take service from a Competitive Electric Power Supplier:

- Customers who have already opted to procure power from another supplier other than
 Eversource or the NHEC as part of the state retail energy choice program will be notified and
 may request to "opt-in" to the program;
- Customers currently on default energy service provided by Eversource and NHEC will be notified, provided the opportunity to decline participation ("opt-out"), and thereafter transferred to Epping Community Power if they do not opt-out; and
- Net Energy Metering (NEM) customers will not initially be automatically enrolled into the Epping Community Power Program, but may choose to opt-in.

Notifications to customers on utility-provided default service will: include the initial fixed rate for the program's default service compared with the Eversourceand NHEC rates, be mailed to customers at least 30 days in advance of program launch, provide details of service for various customer groups including exceptions to automatic enrollment, and provide instructions for customers to decline participation (for example, calling a phone number, sending an email, or using a web portal).

Examples of customer service websites and web portals are available at www.CommunityPowerNH.gov.

After the launch of Epping Community Power, any new customers starting service within the Town will be given a similar opt-out notice and will be transferred onto default service provided by the program, unless they choose to take energy service from Eversource, NHEC or a Competitive Electric Power Supplier under the state retail choice program.

Customer Accounts and Electricity Usage Estimates

As an example the table below show the total number and annual electricity usage of Eversource and NHEC customers within Epping's territory who would initially receive either "opt-out" or "opt-in" notifications:

Aggregated data provided by Eversource for the 12 months ending November, 2023						
Customer	Utility Defa Supply Cust (Eligible for Notification	r Opt-Out ns & Customers (Eligible for Opt-In Notifications &		Total Customers		
Туре	Automatic Enrollment)		Voluntary Enrollment)		(Combined Utility Default & Competitive Supply Customers	
	Customer Accounts	Annual Usage (MWh)	Customer Accounts	Annual Usage (MWh)	Customer Accounts	Annual Usage (MWh)
Small Commercial (G)	396	5,754	215	10,114	611	15,869
Commercial and Industrial	0	0	10	11,391	10	11,391
Outdoor Lighting	51	55	15	2	66	57
					ĺ	
Residential	2,357	15,601	759	5,755	3116	21,356

Aggregated data provided by NHEC for the 12 months ending November, 2023					
Customer	Utility Default Supply Customers (Eligible for Opt-Out Notifications &	Competitive Supply Customers (Eligible for Opt-In Notifications &	Total Customers (Combined Utility		
Tymo	Automatic	Voluntary	Default & Competitive		
Type	Enrollment)	Enrollment)	Supply Customers) Annual		
	Customer Accounts	Customer Accounts	Customer Accounts	Usage (MWh)	
Residential	416	4	420	3,852	
General	9	5	14		
Municipal Lighting	1	0	1	154	
Total Y.E. 11/23	426	9	435	4,006	

Community Power Plan Submission to the Public Utility Commission

Epping will submit this final Community Power Plan to the Public Utilities Commission for review and approval as per RSA 53-E:7, II.

Near-Term Operational Requirements

While many of the broader benefits Epping Community Power intends to create for customers and the Town will be developed over time, the program's immediate objective is to offer competitive default supply rates compared to Eversource, 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.

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 Eversource' tariffs, processes and timing in regard to these activities. Refer to Attachment 2 for additional documentation and discussion of these factors.

Customer Rates and Products

The table below provides an example of a default service product and optional rates that could be offered to customers relative to Eversource residential default supply rates. The rates and products depicted below are offered by Community Power Coalition of New Hampshire to at least twelve New Hampshire municipalities and effective from August 1, 2023 through January 31, 2024.

The Coalition sets and adjusts rates with the objective of offering customers cost savings and expanded options. Most utility rates are set from February 1 to July 31, 2024. The Coalition's default rates will change for the next utility rate period, scheduled from February 1, 2024 through July 31, 2024.

Residential, General Service, and Outdoor Lighting				
Fixed Supply Rates Effective Through January 31, 2024				
Renewable Content	Power Option	Rate (¢/kWh)	Estimated Cost*	
23.4%	Granite Basic (default power option)	10.9¢	± \$65 / month	
33%	Granite Plus	11.3¢	± \$68 / month	
50%	Clean 50	12.3¢	± \$74 / month	
100%	Clean 100	15.2¢	± \$91 / month	
23.4%	Eversource	12.582¢	± \$75 / month	

22.40/	NUIC	11 12-	~ ¢60 /month
23.4%	NHEC	11.420	~ \$69 / month

^{*}Based on usage of 600 kWh per month

The products that Epping 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 Renewable Energy Certificates (RECs) for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

Eversource and other electricity suppliers are required to including the following amounts of renewable energy in their energy supply:

- For 2023, 23.4% renewable.
- For 2024, 24.3% renewable.
- For 2025, 25.2% renewable.

Absent an increase in the RPS, these minimum compliance requirements will remain fixed thereafter.

Epping Community Power may seek to procure voluntary renewables in excess of the RPS minimum requirements from "Class I" resources (as defined at https://www.cpcnh.org/renewable-portfolio-standard). Additionally, the program could prioritize including as much renewable energy sourced from generating resources located in New Hampshire and New England as possible.

COMMUNITY POWER PLAN STATUTORY REQUIREMENTS

The following requirements for this Community Power 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, Epping Community Power will be authorized to provide electricity and other related services to participating residents, businesses, and other customers in the Town.

The Board of Selectmen, with support from the Epping Community Power committee, will oversee the program and has overall governance authority. Decisions regarding Epping Community Power, such as updating program goals, adoption of Energy Portfolio Risk Management, Retail Rates, and Financial Reserve policies to govern the program's power procurement and rate-setting decisions, may be made at duly noticed public meetings and with support from the Community Power Committee.

Additionally, the Board of Selectmen may direct the Epping Community Power Committee to hold meetings for the purpose of providing community input and advisory support regarding the program.

Methods of Entering into and Terminating Agreements

This Epping Community Power Plan authorizes the Board of Selectmen, with support from the Epping Community Power committee, to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Epping Community Power.

Operation and Funding

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

Services provided by third-party entities required to launch and operate the program may include portfolio risk management advisory services, wholesale Load Serving Entity (LSE) services, financial services, electronic data interchange (EDI) services with the utility, and customer notification, data management, billing, and relationship management (e.g., call center, website, etc.) services. Additional information on how Epping Community Power will implement Load Serving Entity (LSE) services is found in Attachment 3, How Load Serving Entity Services will be Implemented.

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.

Epping Community Power program will provide "all-requirements" electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services (to the extent not provided through Eversource), 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 https://www.cpcnh.org/renewable-portfolio-standard for details regarding the requirements of Renewable Portfolio Standard statute, RSA 362-F.)

If a single supplier is relied upon to provide all-requirements electricity on behalf of Epping Community Power, then (1) the supply contract will be executed or guaranteed by entities that possess at least a BBB- or equivalent investment-grade rating issued by a nationally recognized statistical rating organization (NRSRO), and (2) the supplier will be required to use proper standards of management and operations, maintain sufficient insurance, and meet appropriate performance requirements for the duration of the supply contract. Alternatively, if a portfolio of contracts with multiple entities is structured to diversify counterparty credit risk exposure, and actively managed to provide for all-requirements electricity on behalf of Epping Community Power, then counterparty credit requirements and monitoring, hedging transaction authorities, residual ISO-NE market exposure limits, and reporting requirements will be carried out in accordance with Energy Portfolio Risk Management, Rates, and Financial Reserves policies that would be established prior to commencing procurement and implementing the program.

Additionally, RSA 53-E provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Epping 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 Eversource to adapt existing meter and billing system processes.

Rate Setting, Costs, Enrollment Process, and Options

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

Rate Setting and Costs

Epping Community Power will only launch if it is able to offer residential default rates that are initially lower than those offered by Eversource; thereafter, the program will strive to maintain

competitive rates for all default service customers on an overall annual basis, 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 Community Power Plan and modified from time to time at the direction of the Board of Selectmen).

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.

Should the Board of Selectmen, with support from the Epping Community Power committee, choose to select a non-profit supplier, they will also adopt Energy Risk Management and Financial Reserve policies 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 Epping 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.

Enrollment Process and Options

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

- Customers currently on default service provided by Eversource or NHEC will be sent "opt-out" notifications describing the program, its implications for the Town, the rights and responsibilities of customers, and program rates and charges with instructions on how to decline participation, and thereafter be transferred to Epping 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.

If Eversource has not fully implemented Public Utilities Commission rules and procedures governing Community Power Aggregation service, certain groups of customers on default service provided by the utilities may need to be offered service on an opt-in basis, and/or offered service on an opt-out basis at a future date. For example, if the utilities are unable to reliably provide the data on customer-generators necessary to offer Net Energy Metering (NEM) rates and terms, then the program may initially choose to not enroll customer-generators on an opt-out basis, as doing so could risk negatively impacting NEM customer billing and crediting procedures.

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

Optional products, such as increased renewable power content in excess of the Renewable Portfolio Standard (RPS) requirements and other energy services, including time varying rates, 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 Eversource and Epping Community Power and will be transferred onto Epping Community Power's default service unless they choose to be served by Eversource or a Competitive Electric Power Supplier.

Customers that request to opt-in to the program may do so at the discretion and subject to the terms of Epping Community Power.

Residents, businesses, and other electricity customers may opt-out of participating in Epping Community Power default service at any time, by submitting adequate notice in advance of the next regular meter reading by Eversource (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 Epping Community Power may switch back to the Eversource 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, Eversource and the Public Utilities Commission.

Epping 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 data.

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 Epping Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b). Attachment 4, Customer Data Protection Plan, details the reasonable security procedures and practices that the Town and Epping Community Power will employ to protect individual customer data from unauthorized access, use, destruction, modification, or disclosure.

Aggregate or anonymized data that does not compromise confidentiality of individual customers may be released at the discretion of Epping 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 Epping Community Power back to Eversource (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 Eversource and receive credits for electricity they export to the grid based on Eversource' Net Energy Metering (NEM) tariffs.

Epping 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 Eversource, 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 Epping Community Power supply rates are lower than Eversource default service or if the host is located outside of Epping, it may be most advantageous for the host to remain an Eversource default service customer, while the other group members are free to switch to Epping Community Power for their supply and continue to receive on-bill credits for their participation in the group.

Epping Community Power's exact terms, conditions, and rates for compensating and crediting different types of NEM customer generators in the Town 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 between Eversource and Epping Community Power. The enabling services and strategies that Epping Community Power

may pursue, 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:

• <u>Attachment 2</u> provides an in-depth discussion regarding operational and strategic opportunities to enhance net metering and group net metering through Epping 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. Epping 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.

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

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 Epping Community Power.

Epping Community Power may be terminated by majority approval of voters at Town Meeting. If so terminated, Epping 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 Eversource or to a Competitive Electric Power Supplier of their choosing.

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

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

(see attachments below)