

# **Hanover Community Power Electric Aggregation Plan**



**May 2021**

As approved by the Hanover voters at Town Meeting on July 13, 2021.

Amendment Select Board on October 17, 2022

## Table of Contents

Executive Summary	1
Overview of Hanover Community Power	5
Electric Aggregation Plan Statutory Requirements	14
Attachments	
1. Legislative Background and Local Control Authorities	21
2. The Community Power Coalition of New Hampshire (CPCNH)	25
3. New Hampshire’s Renewable Portfolio Standard	29
4. Utility Default Procurement Cycles and Rate Setting	31
5. Overview of Utility Energy Net Metering Tariffs	32
6. Hanover Community Power Net Metering, Group Net Metering And Low-Moderate Income Solar Project Opportunities	38
7. Hanover’s Public Planning Process	42
8. How Load Serving Entity Services Will Be Implemented	45
9. Customer Data Protection Plan	51

## Executive Summary

### Overview

Hanover Community Power is a program to provide electric power supply and services for residents, businesses, and other entities in the Town of Hanover that is authorized under RSA 53-E.

The Legislature's purpose in enabling Community Power was to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities. RSA 53-E allows municipalities and counties to aggregate retail electric customers, including residential, non-profit, and small commercial accounts, to provide such customers access to competitive markets for supplies of electricity and related energy services. Refer to [Attachment 1](#) for more details on local control authorities and legislative context.

Community Power programs operate on a competitive basis and are self-funded through revenues generated by participating customers. The Town of Hanover will not need to raise taxes to fund the program.

Aggregations provide small customers with similar opportunities to those currently available to large electric customers in obtaining lower electric costs, reliable service, and secure energy supplies, particularly as they differ from standard default service provided by the incumbent electric utilities.

Hanover's three incumbent electric utilities, Liberty, Eversource and the NH Electric Co-op (NHEC), who each serve a specific region within the Town, will continue to own and operate the distribution grid and be responsible for delivering power to participating customers. The NH Public Utilities Commission (NHPUC) has adopted rules regarding the implementation and operation of Community Power programs within the state.

The Hanover Electric Aggregation Committee, a subcommittee of Sustainable Hanover, was tasked by the Hanover Selectboard with drafting this Electric Aggregation Plan, which sets forth goals, implementation and management principles, and requirements for the program required by RSA 53-E, for consideration by the Hanover Town Meeting. Approval of this plan by Town Meeting as the legislative body then authorizes the Selectboard to arrange and contract for the necessary professional services and power supplies to launch Hanover Community Power.

The Town of Hanover is a founding member of the Community Power Coalition of New Hampshire (CPCNH), a nonprofit created to streamline and enhance the implementation and operation of multiple individual Community Power programs on a statewide basis. CPCNH will contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate members' Community Power programs. These third parties are expected to fund the upfront cost of implementing member programs, with costs recovered through program revenues.

This plan enables, but does not require, Hanover to participate fully in CPCNH and to appoint representatives to the CPCNH Board of Directors to oversee these activities.

Due to the participation of several other municipalities, CPCNH will launch at a scale equivalent to Liberty Utilities and may become larger than Unitil within the 2022-23 timeframe (in terms of the number of customers on default service and quantity of electricity procured by these utilities).

Hanover Community Power is well aligned with our community's policy objectives of achieving 100% renewable electricity by 2030 and thermal and transportation energy by 2050, as voted on and approved at Town Meeting in May 2017 with the adoption of the community's Ready for 100 resolution. Hanover's program goals are:

- **Competitive Rates & Choices** that must meet or beat those offered by Liberty, Eversource or the NHEC at launch, and must offer choices in terms of the percentage supply of renewable power offered in each supply mix as well as pricing options.
- **Fiscal Stability & Financial Reserves** to ensure the program is able to maintain competitive rates over time and advance the Town's policy goals over the long-term (e.g, development of local energy resources and programs);
- **Enhanced Customer Focus** to enable customers to adopt new clean energy technologies that reduce energy expenditures and carbon emissions.
- **Consumer Protections** to ensure contracts entered into are fair, and to represent the Town of Hanover's interests on energy issues at the NH Legislature and the NHPUC.
- **Cleaner, Local Power** to supply an affordable energy portfolio that prioritizes the use of cost-effective renewable energy, local energy projects and customer programs.
- **Community Resiliency** programs to reduce energy consumption, lower bills, create jobs, and pursue longer-term projects such as building local back-up power supplies.
- **Regional Development** in support of clean infrastructure developed in collaboration with municipalities, Community Power programs and other government agencies.
- **Grid Modernization** by supporting informed advocacy for policies, regulations, and infrastructure investments to ensure a decarbonized, affordable and resilient energy system.

The Town of Hanover's Electric Aggregation Committee began researching Community Power best practices in December 2019, in collaboration with the other founding members of the Coalition and advisors throughout the state. The Town did so after determining that the best approach to procuring renewably generated electricity for Hanover electricity customers was by combining the community's demand with that of other NH communities. See [Attachment 7](#) for a summary of the many actions the Town has taken since 2017 that led us to a determination to pursue formal municipal aggregation of electricity.

This plan reflects industry best practices and was developed by the Electric Aggregation Committee with input from CPCNH and from our residents, local businesses and the other prospective customers of Hanover Community Power.

### Purpose of this Electric Aggregation Plan

This Electric Aggregation Plan sets forth the Town's policy goals for its Community Power program, summarizes Hanover Community Power's governance and implementation processes, and commits Hanover 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 in the incumbent utilities' distribution franchise territories.
- Meeting, at a minimum, the basic environmental and service standards established by the

NHPUC and other applicable agencies and laws concerning the provision of service under Community Power.

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

## Public Approval Process and Next Steps

This Electric Aggregation Plan was developed by Hanover's Electric Aggregation Committee with due input from the public, as required under RSA 53-E. Refer to [Attachment 7](#) for a summary of this process.

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

1. The Electric Aggregation Committee may now resubmit this Electric Aggregation Plan for consideration by the Hanover Selectboard and, if necessary, again at Town Meeting.
2. Adoption of this Plan at Town Meeting, by majority approval of those present and voting, establishes Hanover 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.
3. The Selectboard has appointed a primary and alternate representative to the CPCNH Board of Directors. CPCNH Board meetings are being noticed and conducted in accordance with New Hampshire's Right-to-Know Law (RSA 91-A).
4. Future decisions made by the Selectboard regarding how to implement and operate Hanover Community Power, including the execution of a Cost Sharing Agreement with the Coalition and delegation of authorities, if any, to Hanover's representatives on the CPCNH Board, will be made at duly noticed public meetings.

Regulations governing Community Power have been adopted by the NHPUC. Hanover Community Power and the Coalition actively participated in the Commission's public review process.

Rules require submission of this plan to the Commission to provide formal notice that the Selectboard is planning to launch a Community Power program, and authorize the Town of Hanover to request access to additional customer data from Liberty, Eversource and NHEC that will be needed for the implementation and administration of Hanover Community Power.

## Overview of Hanover Community Power

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

- Hanover Community Power, once operational, will serve as the default electricity supplier within the Town of Hanover's boundaries and be self-funded through revenues received by participating customers. The Town will not need to raise taxes to pay for it.
- Liberty, Eversource and NHEC, the electric distribution companies that own and operate the local distribution system in Hanover (poles, wires, transformers, substations, etc.), will continue to deliver electricity to customers.

- Hanover’s Selectboard, in coordination with advisory support from the Town Manager and the Hanover Electric Aggregation Committee, will be authorized to 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.

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

- Customers currently on default service provided by Liberty, Eversource or NHEC will be notified, provided the opportunity to decline participation, and thereafter transferred to Hanover Community Power if they do not opt-out, by a specified date outlined in the notification.
  - Customer notifications will: include the initial fixed rate for the program’s default service compared with the Liberty, Eversource and NHEC rates, 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).
- Customers already served by Competitive Electric Power Suppliers will be notified and may request to opt-in to the program; and
- New customers will thereafter be notified and transferred onto Hanover Community Power’s default service unless they choose to take service from Liberty, Eversource, NHEC or a Competitive Electric Power Supplier.

All customers on Hanover Community Power default service will remain free to switch back to the Liberty, Eversource, NHEC or to take service from a Competitive Electric Power Supplier.

Liberty Utilities provides electric distribution service to almost all customers within the Town of Hanover. The table below shows the total number and electricity usage of customers served by Liberty, who would initially receive either “opt-in” or “opt-out” notifications:

**Liberty Utilities Customers**

(Eligible for Opt-In or Opt-Out Notifications)

	<b>Customer Count</b>	<b>Annual Usage (MWh)</b>
Municipal	39	2,387
Residential	2,497	20,900
Commercial	561	17,321
Industrial	12	71,745
<b>Total</b>	<b>3,109</b>	<b>111,640</b>

*Aggregated data shown was provided by Liberty Utilities.*

As Hanover prepares to implement the program, additional customer data will be provided by Liberty Utilities, as well as NHEC and Eversource, so that the Town will be able to notify and provide all customers the opportunity to participate in the program (as required under RSA 53-E).

## Overview of Hanover Community Power



### Membership in the Community Power Coalition of New Hampshire

The Town of Hanover is a founding member of CPCNH, a nonprofit joint powers agency authorized under RSA 53-A and governed by participating communities under the terms of the Joint Powers Agreement approved by the Hanover Selectboard on January 25, 2021.

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

- Jointly solicit and contract for the third-party services and staff support required to implement and operate municipal and county Community Power programs.
- Thereafter participate in joint power solicitations and project development opportunities.
- Facilitate knowledge-sharing and accelerate the pace at which cost-effective innovations and regional collaborations on clean energy and resilient infrastructure development are implemented at the community-level throughout the state.
- Represent the interests of member communities in state policy affairs relating to Community Power and electricity (both legislative and regulatory).

Refer to [Attachment 2](#) for supporting documentation and details regarding Hanover's role in its formation of CPCNH.

Due to the design and projected size of CPCNH, the Electric Aggregation Committee anticipates that participation will result in cost savings, lower staff requirements and enhanced quality of services for Hanover Community Power and other member programs. The sections below provide a concise summary of the key features and attributes of CPCNH.

#### **Economies of Scale**

CPCNH is designed to achieve significant economies of scale, in terms of the oversight and management of Community Power program operations.

Due to the participation of several other municipalities and growing interest of communities throughout the state, CPCNH expects to launch at a scale equivalent to Liberty Utilities and may become larger than Unitil within the 2022-23 timeframe, both in terms of the number of customers on default service and quantity of electricity procured by these utilities.

#### **Voluntary Participation**

Hanover anticipates relying upon CPCNH member services to launch and operate Hanover Community Power, but approval of this plan does not commit the Selectboard 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 CPCNH.

### **Community Governance**

Hanover has appointed a primary and alternate representative to the CPCNH Board of Directors. All founding members will be directly represented on the Board until more than twenty-one (21) members join, at which point directors will be elected by vote of the members at annual meetings (with a Board size of between 11 and 21 representatives, at the members' direction).

As a founding member, Hanover's representatives will directly oversee the initial startup and implementation activities of CPCNH, including: the adoption of Board policies and election of officers, the hiring of key staff to provide management and oversight, the solicitation and contracting of third-party service vendors to launch and operate Community Power programs, and the appointment of directors and other community representatives to committees.

CPCNH will have six standing committees: Executive, Finance, Audit, Regulatory and Legislative Affairs, Risk Management and Governance. Additionally, the Board may 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 CPCNH 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."*

### **Cost Sharing**

CPCNH 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 incurred by any specific project or member service).

These costs will be allocated in accordance with Cost Sharing Agreements executed by each member, which will be the same in all material respects. General costs will be allocated based on each Community Power program's share of total electricity usage each year, while members will choose and separately pay for the costs of specific services and projects. These expenses will be factored into the electricity rates set by each member and paid for out of the revenues received from participating customers in each Community Power program.

Additionally, the debts, liabilities and obligations of CPCNH, and of other participating Community Power programs, will be non-recourse to Hanover unless expressly agreed to by the Selectboard under Hanover's Cost Sharing Agreement or a Project Contract.

### **Member Services**

CPCNH 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 CPCNH 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 Hanover Community Power 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 Hanover Community Power 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 our energy portfolio, provide a physical hedge against wholesale market price fluctuations, enhance the resiliency of our electrical grid, and stimulate local construction and economic development in Hanover and other participating communities.

The extent of services offered by CPCNH is expected to 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.

CPCNH 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 following sections explain how CPCNH member services are related in ways that are intended to ensure Hanover 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 and 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 lower 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, distributed generation and energy storage programs, electric vehicle charging rates, and other offerings that empower customers directly and support 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 Hanover Community Power:

- Lower electricity supply costs and risk for the program in aggregate.
- 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, CPCNH 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***

Hanover Community Power will not launch unless it can offer residential electricity rates that meet or beat Liberty, Eversource or NHEC default electricity prices. Maintaining competitive rates thereafter, as market prices and incumbent utility default rates change over time, will significantly reduce the risk that customers opt-out of Hanover Community Power and allow the program to achieve our medium- to long-term goals.

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

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

These policies are intended to ensure that Hanover Community Power foresees and adequately plans for contingencies (such as power supply shocks, economic downturn and regulatory changes) and remains able to draw on capital reserves or credit support sufficient to maintain: (1) rate stability for our customers; and (2) adequate cash flow for CPCNH operations over the course of any adverse events and periods.

As Hanover Community Power accrues financial reserves, CPCNH 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 Hanover 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 for the program. CPCNH 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 Hanover 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 Hanover Community Power and other Community Power members of CPCNH 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 — CPCNH will be able to facilitate new project developments for Hanover Community Power and other 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 Hanover Community Power and the other Community Power programs joining together to create CPCNH.

This objective is an important policy goal for our program and will additionally diversify the energy supply portfolio managed by CPCNH. Portfolio diversification helps to stabilize operating margins by intelligently hedging Hanover Community Power’s exposure to wholesale market dynamics and price fluctuations over time — and will further strengthen our program’s financial stability over the long-term.

### **Regulatory and Policy Advocacy**

Changes in law and regulations that adversely impact Community Power programs are a source of risk for Hanover Community Power. Furthermore, extending and maintaining the full range of benefits that Hanover Community Power could create for customers will require informed participation and advocacy on energy issues at the NH Legislature and NHPUC.

Coordination with other municipalities and Community Power initiatives on matters of common interest have already produced meaningful results in these areas. For example, over the last year, Hanover and other members involved in the formation of CPCNH 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 NHPUC 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 enable 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 proposed bills to-date:
  - House Bill 315, which would clarify and expand key Community Power authorities; and
  - Senate Bill 91, which would expand the ability of Community Power programs to buy from in-state generators and battery storage projects (under 5 megawatts in size).

Hanover Community Power will continue and expand on these activities through CPCNH.

## Hanover Community Power Goals and Objectives

Hanover Community Power affords the Selectboard the capacity and flexibility to realize and build on our policies pertaining to energy, economic development and infrastructure focused on community-wide use of 100% renewable electricity by 2030 and thermal and transportation energy by 2050.

Our policy goals will need to be pursued through a combination of direct program activities, regional initiatives with other Community Power programs and municipalities, and informed public advocacy at the Legislature and Public Utilities Commission. To that end, Hanover Community Power will be guided by the following objectives:

- **Competitive Rates & Expanded Choices:** launch with residential default rates that are lower than or competitive with those offered by the three incumbent utilities — Liberty serves the preponderance of Hanover customers, although Eversource serves several off Route 10 in northwestern Hanover and NHEC serves a small number in the Goose Pond Road area — and 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:** 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 Hanover’s longer-term policy goals (such as the development of local energy resources and programs);
- **Consumer Protections:** ensure that the contracts entered into on behalf of customers are fair and represent the interests of Hanover and the program’s customers in the NH Legislature and NHPUC on matters pertaining to Community Power and ratepayer protection.
- **Enhanced Customer Focus:** enable customers to adopt new clean energy technologies that reduce energy expenditures and carbon emissions from the customer’s perspective, by reducing household and business fuel expenses through electrification of heating appliances and vehicles, offering time varying rate structures that incentivize self-generation of electricity via solar, dispatching onsite storage or shifting power consumption 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:** prioritize the development of cost- effective projects to supply an affordable energy portfolio that prioritizes the use of local renewable energy.
- **Community Resilience:** 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:** 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:** join with other Community Power programs to advocate for policies, regulations, and infrastructure investments 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, Hanover Community Power will achieve its goals of 100% renewable electricity by 2030 and thermal and transportation energy by 2050. Additional co-benefits include reducing fossil fuel consumption, enhancing the reliability of our electricity grid, creating savings and new value for customers, and attracting and supporting local businesses — areas that are essential to our continued success as a vital, sustainable community.

**Short-Term Objectives**

While many of the broader benefits Hanover Community Power could create for customers and the Selectboard will be developed over time, the program’s immediate objectives are to:

1. Launch offering competitive rates, including residential default supply rates that meet or beat incumbent utility supply rates;
2. Begin accruing a reserve fund sufficient to ensure the program’s long-term financial stability;
3. Offer voluntary products that retail customers may opt-up to receive, as well as Net Energy Metering rates that allow customer generators to participate in the program.

The following sections provide additional context relevant to our immediate objectives.

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

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

Compensation to customer generators under Net Energy Metering rates, the timing of the program’s rate setting decisions and the procurement of electricity will need to consider incumbent utility 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 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

Note that the products which Hanover Community Power initially offers to customers, and the rates charged for each product, will be refined and finalized in advance of program launch.

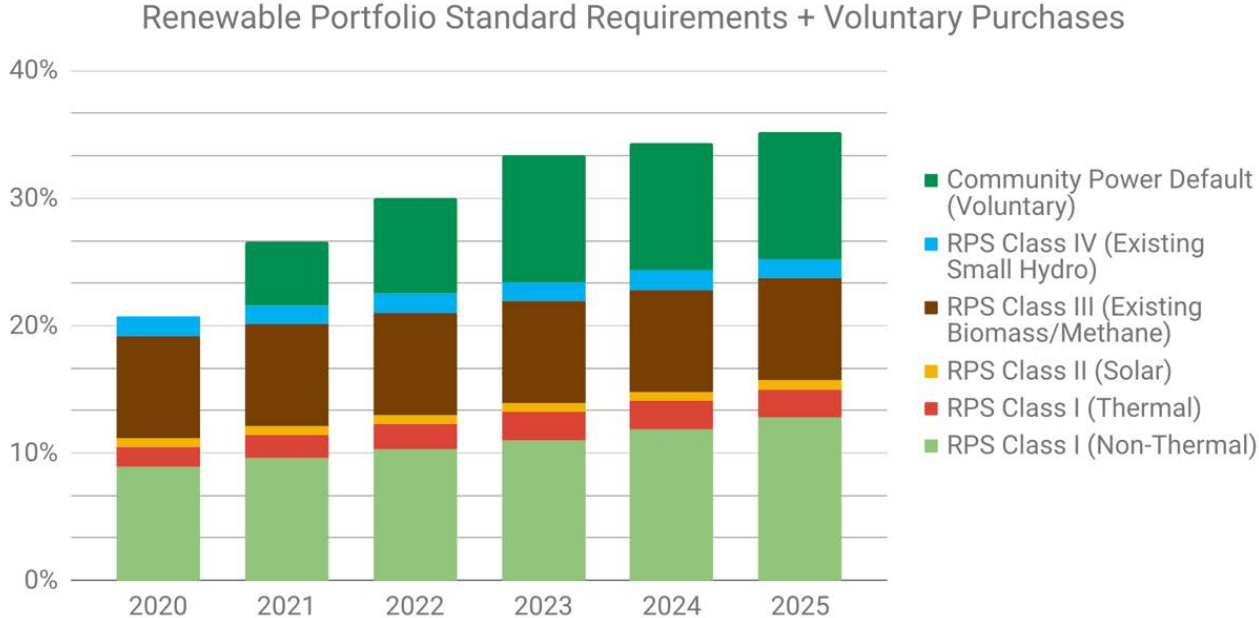
**Renewable Portfolio Standard Requirements**

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

For 2021, the incumbent 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 a modification in the RPS by an act of the NH Legislature.

Hanover Community Power would seek to procure voluntary renewables well in-excess of the RPS minimum requirements from “Class I” resources (as defined in [Attachment 3](#)). Additionally, the program could seek to include 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, Hanover Community Power’s additional voluntary purchases (assuming the default product in the above table, which exceeds RPS requirements by 5% to 10% each year):



**Energy Risk Management and Financial Reserve Policies Compliance**

Hanover Community Power’s power procurement, budgeting and rate-setting will be carried out in accordance with the Energy Risk Management Policy and Financial Reserve policies 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 Hanover 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, which conform to the statutory compliance requirements outlined in 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.
- H. Termination of program.

### **Organizational Structure of the Program**

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

The Selectboard will oversee the program and has overall governance authority. Decisions regarding Hanover Community Power, such as setting program goals, adoption of Energy Risk Management and Financial Reserve policies and approval of customer rates, will be made at duly noticed public meetings.

The Selectboard will appoint a primary and alternate representative to the CPCNH Board of Directors, which will oversee the start-up and operation of the agency, provide input regarding the CPCNH public advocacy on matters of policy and regulation, provide direction to CPCNH's vendors and/or staff as the agency's operations and customer services evolve over time, and be responsible for advising and updating the Selectboard, for example by: assessing and reporting on program performance, evaluating how to evolve the services and products offered to customers, and otherwise elevating any matters that warrant attention to the Selectboard.

Additionally, the Selectboard may direct the Electric Aggregation Committee to continue to hold meetings for the purpose of providing community input and advisory support regarding the program.

### **Methods of Entering into and Terminating Agreements**

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

### **Operation and Funding**

Hanover 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, Hanover to participate fully in CPCNH and thereby contract for operational services jointly with other participating Community Power programs.

CPCNH third-party contractors will be expected to fund the upfront cost of implementing Hanover 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 CPCNH.

Services provided by third-party entities required to launch and operate the program include portfolio risk management services, wholesale Load Serving Entity (LSE) services, financial services, electronic data interchange (EDI) with the utilities, customer data management and billing services, customer notification and relationship management services (e.g., call center, website, etc.). Additional information on how Hanover Community Power will implement Load Serving Entity (LSE) services is found in [Attachment 8](#), *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.

Hanover Community Power will provide "all-requirements" electricity supply for its customers, inclusive of all 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 Hanover 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 resiliency of the grid and decarbonize our power supply.

However, the implementation of these authorities is expected to take some time, as it requires action by the NHPUC to adopt enabling rules and coordination with the incumbent utilities to adapt existing meter and billing system processes.

## **Rate Setting, Costs, Enrollment Process, and Options**

Customers who choose not to participate in Hanover Community Power shall not be responsible for any costs associated with the program, apart from any incidental costs incurred by the Town prior to the point at which the program starts producing revenue from participating customers. Incidental costs include, for example, staff time and attorney review of contracts, but do not include any operational or capitalized costs of the program.



## **Rate Setting and Costs**

Hanover 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 Liberty Utilities, Eversource and NHEC; 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 Energy Risk Management and Financial Reserve policies to govern the program's power procurement cost 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 Hanover 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 projects), and for additional credit enhancements and purposes that lower the program's cost of service.
- **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 set rates that ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements in the incumbent utilities' distribution franchise territory. In other words, customers will be treated the same based on their circumstances. For example, any customers that opt-in after being offered the opportunity to participate during the initial enrollment period may be offered rates that reflect how market prices have changed in the intervening period.

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**

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

- **Customers currently on default service provided by Liberty Utilities, Eversource or NHEC** will be sent "opt-out" notifications — describing the program, its implications for the Town of Hanover, the rights and responsibilities of customers, and program rates and charges — with instructions on how to decline participation, and thereafter transferred to Hanover 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'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 beyond 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 Liberty, Eversource, NHEC and Hanover Community Power and will be transferred onto Hanover Community Power's default service unless they choose to be served by the incumbent utilities or a Competitive Electric Power Supplier.

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

Customers that request to opt-in to the program may do so subject to the terms of Hanover Community Power. Customers that have opted-in to an optional product offered by Hanover Community Power may switch back to the incumbent utilities or may 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 Hanover, Liberty, Eversource, NHEC and the NHPUC.

Hanover 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 NHPUC rules. Confidential data includes information that singly or in combination can identify specific customers, including individual customers' name, service address, billing address, telephone number, account number, payment information, and electricity consumption. This data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors for Hanover Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b). [Attachment 9, Customer Data Protection Plan](#), details the reasonable security procedures and practices that the Town and Hanover 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 Hanover 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 Hanover Community Power back to their incumbent 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 NHPUC.

## 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 the utilities and receive credits for electricity they export to the grid based on their utility's Net Energy Metering (NEM) tariffs.

Hanover 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 utility, as specified under the terms of their applicable net energy metering tariff.

Hanover 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 the utilities and Hanover Community Power. The enabling services and strategies that Hanover 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 alternative 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](#) which provides an overview of utility 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 Hanover 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. Hanover Community Power will support income eligible customers who enroll in the Electric Assistance Program to receive their discount.

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

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

Hanover Community Power consequently plans to rely on Liberty Utilities, Eversource and NHEC 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 the future, the Public Utilities Commission approves rules that enable Community Power programs to provide Electric Assistance Program customers with their discount directly.

## Termination of the Program

There is no planned termination date for Hanover Community Power.

Hanover Community Power may be terminated by majority approval of those present and voting at Town Meeting. If so terminated, Hanover Community Power would cease operations after satisfying any obligations contractually entered in to prior to termination, at which point participating customers would either be transferred to default service provided by their distribution utility (either Liberty Utilities, Eversource or the NHEC) or to a Competitive Electric Power Supplier of their choosing.

Hanover Community Power will provide as much advance notice as possible regarding the potential or planned termination of the program to participating customers, CPCNH, the NHPUC, Liberty Utilities, Eversource and NHEC.

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.