

## Attachment 1: Legislative Background and Local Control Authorities

In 1996, New Hampshire led the nation in being the first state to pass an Electric Utility Restructuring Act ([RSA 374-F](#)), the purpose of which was to de-monopolize aspects of the power sector to give customers greater choice, lower costs, and enable market innovations.

Nearly a quarter century has passed. The competitive market has seen little growth since 2013, and currently serves only one out of every five customers. Consequently, at present:

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

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

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

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

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

The purpose of **aggregation** shall be to encourage voluntary, cost effective and innovative

solutions to local needs with careful consideration of local conditions and opportunities.”

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

- The supply of electric power
- Demand side management
- Conservation
- Meter reading
- Customer service
- Other related services
- Operation of energy efficiency and clean energy districts adopted by a municipality pursuant to statute and as approved by the municipality's governing body.

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

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

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

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

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

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

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

Members serving on the Committee to prepare the Plan for Town Meeting were Amy Roberts, Andrea Hodson, Andrew Maneval, Colin Kennard, Doug Gline, Ned Hulbert, and Ryan Stone.

By law and under [RSA 53-E:6](#), the Committee was responsible for:

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

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

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

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

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

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

The first of two Public Hearings was noticed and held on December 10, 2020, to discuss and receive input from the community on the first iteration of this Electric Aggregation Plan (v1.0). The meeting was noticed at Town Hall, and by newspaper, flyers, posters, and the Town's website and FaceBook pages.

The second Public Hearing was similarly noticed and held on February 4, 2021, to discuss public inputs and refinements to the Community Power Electric Aggregation Plan to be presented at Town Meeting. Following the second Public Hearing, the Committee created a final iteration of the Electric Aggregation Plan, incorporating comment and feedback.

Most notably, providing more detail about New Hampshire's **Electric Renewable Portfolio Standard** and **Renewable Energy Certificates** (Attachment 5); and, providing more information about rate options and making substantive changes to the multi-tier rate plan (Attachment 6).

The Committee prepared this Community Power Warrant Article for submission to the Select Board. It is worth noting that the Committee coordinated external review by experts knowledgeable with the enabling legislation and **community power** design and implementation, and Town Counsel.

The Committee continues to monitor legislation, keep abreast of developments in the Monadnock area and across the state — and provide information with an ongoing invitation to the community to engage in dialogue.

Of serious and consequential concern is legislation written and introduced by Eversource for approval by the NH House of Representative's Science, Technology, and Energy Committee — HB 315. If this

legislation is passed into law, it would effectively reverse and abandon the local control and opportunities promised by [RSA 53-E](#) (October 2019) — the basis for this Warrant Article.

If it does not pass, the Committee will continue to offer residents small-group meetings with members of the team on request, and plan another information sharing meeting ahead of Town Meeting 2021.

Self-serve resources and information are available at the Town's website, Community Power page.

**Notes:**

1. Attachment 2 represents the perspective prior to Town Meeting 2021.

2. Responding to public input, HB 315 was subsequently amended.

As noted by the House Science, Technology and Energy committee, the bill "modifies an existing law that permits the bundling of the electricity **demand** of many customers into a single bulk purchase. ... Changes made to the existing statute in 2019 added new provisions to augment community aggregation to permit **grid** modernizations, such as time of use and demand response capability, which transform community aggregation into a new service called **community power**. These 2019 changes unintentionally created roadblocks to rulemaking for this new capability because it did not protect non-aggregation consumers from potential added costs. This bill restores those protections."

The Senate amended the bill to also increase how much municipalities are allowed to net meter, from 1 megawatt up to 5 megawatts.

The bill was signed by the Governor in September 2021.

3. Following Town Meeting authorization, the Electric Aggregation Committee turned its focus to implementation of Harrisville's Community Power Plan. Members of the team comprise Andrea Hodson, Andrew Maneval, Ari Levine, John Knight, Katie Hamon, Ned Hulbert, and Sherry Sims.

### Attachment 3: *Harrisville Master Plan 2014* (excerpts, pages 25-26)

#### Energy Conservation (Objectives)

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

#### Energy Supply & Energy Generation (Objectives)

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

#### Implementations

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

#### Energy Conservation

1. Adopt the most current version of an appropriate building code that subscribes to high standards for building insulation, energy efficiency, resource conservation and green

building practices. The town will continuously consider emerging innovations and improvement trends in energy conservation in construction.

2. Consider establishing an energy conservation fund that will be used to provide for:
  - a. Energy audit grants for existing residential and commercial buildings.
  - b. Financial awards for new and existing energy-efficient buildings.
  - c. Financial incentives for effective weatherization of existing buildings and for the installation of energy-efficient features, such as passive solar.
  - d. Rebates for the registration and use of energy-efficient vehicles and hybrid cars.
  - e. Other measures that promote private energy savings.
3. Engage in energy and resource conservation and promote energy-efficiency in town building and operations through:
  - a. On-going energy audits of all town and school buildings.
  - b. On-going implementation of cost-effective energy efficiency measures and modifications in town buildings.
  - c. Purchase of energy-efficient supplies and equipment, from energy-efficient light bulbs to fuel-efficient vehicles.
  - d. Energy-saving practices and policies in all town operations, such as no-vehicle idling policy.
  - e. On-going improvement and expansion of current recycling, as well as introduction of composting and other measures that further reduce waste.

#### Energy Supply & Energy Generation

4. Residential Energy Generation: Develop, adopt and fund a financial incentive program for residents to install and/or upgrade domestic **renewable energy** systems in homes, such as solar hot water heaters, photovoltaic systems, geothermal systems or small wind turbines, to

help residents become more self-reliant for their energy needs.

5. Public Energy Generation:

- a. Conduct long-range studies and planning for potential community-controlled options for local, cost-effective generation of **renewable energy**, such as small solar and wind farms, and smaller hydro-electric facilities at existing local dams. This includes a town-specific wind assessment that identifies possible sites for wind farms, if any.
- b. Look into possibilities for future pooled energy acquisition. Join and promote existing energy resource networks like the Monadnock Energy Resource Initiative.

6. Commercial Energy Generation (such as moderately sized wind or solar farms):

- a. Identify potential methods and sites for future commercial energy generation facilities.
- b. Examine their potential impacts (views, noise, wildlife) and benefits (tax revenues, discounted energy purchase for residents) to determine if, where and how such commercial projects would be appropriate and beneficial.
- c. Proactively develop regulations by the Planning Board for potential future commercial energy generation proposals.

## Attachment 4: How Load Serving Entity Services will be Implemented

Harrisville Community Power will implement **Load Serving Entity** (LSE) services for the purpose of procuring or selling electricity on behalf of customers participating in the **aggregation**, regardless of the selected service provider.

This Plan does not require the Town to participate in or rely on LSE services provided through CPCNH for the purposes of implementing and operating Harrisville Community Power but the Town may elect to do so.

### The Role and Responsibility of Load Serving Entities (LSEs)

An LSE is an entity that has registered with **ISO New England** (ISO-NE, the nonprofit regional wholesale electricity market operator) as a market participant and assumes responsibility for securing and selling electric energy and related services to serve retail customer demand at the distribution level (i.e., homes and businesses). As context, every retail customer in New Hampshire and across New England is assigned to an LSE at all times:

- Customers on utility default service are periodically re-assigned to whichever Competitive Supplier has won the utility's most recent auction or the utility as LSE. Refer to Attachment 6 for an overview of utility default procurement.
- Similarly, customers are assigned to a different LSE whenever they are transferred to Community Power **Aggregators** (CPA) service on an opt-out default basis, choose to opt-in to take service from the CPA, or switch to a Competitive Supplier of their choosing.

Consequently, all Competitive Suppliers and CPAs in New Hampshire are required to either:

1. Register as an LSE with ISO-NE; or
2. Contract with a third-party that has agreed to be the LSE responsible for the Competitive Supplier's or CPA's customers.

To ensure that customers receive firm power supply, there are a variety of services that need to be performed and electrical products that must be procured or otherwise provided. The required products and services are referred to as "all requirements energy" (or alternatively, "full requirements service").

The role of an LSE is to provide for, arrange for, or otherwise pay for the cost of providing all

requirements energy to customers. The majority of these requirements are defined by the ISO-NE wholesale market operator, which is subject to Federal oversight, but certain requirements are defined by the state in which the LSE registers to serve customers (Renewable Portfolio Standard requirements, for example).

In New Hampshire, full-requirements energy is defined as the provision or cost of (1) electrical energy, capacity, and reserves (including transmission and distribution losses); (2) ancillary services, congestion management, and transmission services (to the extent not already provided by the customer's utility); (3) the costs associated with complying with New Hampshire's Renewable Portfolio Standard (i.e., the cost of purchasing **Renewable Energy Credits** (RECs) or, if an insufficient number of credits is procured, the cost of **Alternative Compliance Payments** (refer to Attachment 5 for details); and, (4) other services or products necessary to provide firm power supply to customers (i.e., because the definition and requirements of the above products and services are subject to change over time).

Each of these products and services is procured, provided, and accounted for in different ways, through market mechanisms and regulated processes that have been designed to accommodate the unique characteristics of the product or service in question.

Given the complex and capital-intensive nature of providing all requirements electricity to customers, LSEs are subject to significant state and Federal oversight, in terms of registration, reporting, and financial security requirements.

These websites provide information regarding LSE registration, financial security, and renewal requirements to operate in ISO-NE and New Hampshire:

- ISO-NE: [New Participant Registration Instructions](#)
- NH PUC: [Forms for Competitive Electric Power Suppliers and Electric Load Aggregators](#)
- Eversource: [Electric Information for Suppliers & Aggregators](#)
- Unitil: [Energy Supplier Resources](#)
- Liberty Utilities: [Become a Liberty Utilities Approved Supplier](#)

- New Hampshire Electric Cooperative: [Supplier Information](#)

### Contracting Flexibility for the Town of Harrisville

In the event that the Town does not contract with CPCNH to provide LSE and other services to Harrisville Community Power, then the Town may contract to implement LSE services independently either with a third-party LSE acting as the Town's agent or with a **Competitive Electric Power Supplier** (CEPS), through the services of a broker, that contracts to provide LSE services for customers taking service from Harrisville Community Power.

If the Town does contract with CPCNH, it may contract with CPCNH as an all-requirements joint powers agency for the provision of LSE services, all requirements energy supply, and all other energy services required to implement and operate Harrisville Community Power.

### CPCNH Capacity and Responsibilities

**Competitive Solicitation for Comprehensive Services and Credit Support.** On behalf of CPCNH's Member communities, including the Town of Harrisville, CPCNH issued a Request for Proposals for Comprehensive Services and Credit Support (RFP) in April 2022, and established a solicitation process *"to select a qualified entity or group of entities to provide comprehensive services and credit support to enable CPCNH to develop, finance, launch, and operate Community Power Aggregation (CPA) programs."*<sup>1</sup>

- More about CPCNH's authorities as a **joint powers agency**, the RFP, proposal evaluation and contracting process, and the process by which CPCNH's Board of Directors, including the Town, plan to draft and adopt enabling agreements, contracts and policies is provided in Attachment 7: Customer Data Protection Plan.
- The RFP was based on the solicitation and contracting strategy pioneered by [Redwood Coast Energy Authority](#) (RCEA), a CPA Joint Powers Authority in California, which successfully contracted for comprehensive services and credit support on an at-risk,

deferred compensation basis. RCEA launched CPA program service and began providing LSE services and all-requirements supply to CPA customers in 2017. It has operated continuously while accruing financial reserves and enabling numerous local programs and new project developments. The three Professional Services Agreements that RCEA negotiated and executed subsequent to their RFP process provided (1) LSE and portfolio risk management services and credit support, (2) retail data management, billing, and customer care services, and (3) support services (administration, marketing, etc.).

- Similarly, other CPA Joint Powers Agencies have employed solicitation and contracting strategies to successfully contract for and implement LSE and portfolio management services for participating CPA customers.
- Note that numerous well-established third-party vendors that provide LSE services, portfolio management services and credit support responded to CPCNH's Request for Information for Comprehensive Services and Credit Support issued in December 2021. (The Board of Directors designated these responses as confidential as the competitive solicitation is ongoing.)<sup>2</sup>

The scope of operational services requested under the RFP was to broadly *"provide all required services and credit support necessary to operate the agency and supply **all-requirements electricity** to CPA customers."* Specific scope of operational functions requested included:

1. Retail Data Management and Billing Services
  - a. Utility Electronic Data Interchange (EDI)
  - b. Customer Data Validation and Error Resolution Management
  - c. Billing Calculations
  - d. Utility Payment Receipt
  - e. Revenue Oversight and Tracking
2. Retail Customer Solutions
  - a. Customer and Program Analytics and Insights

<sup>1</sup> CPCNH's Request for Proposals for Comprehensive Services and Credit Support, and additional supporting reference documentation, including the draft Business Plan for CPCNH, are posted online here: <https://www.cpcnh.org/solicitations>.

<sup>2</sup> CPCNH's Request for Information for Comprehensive Services and Credit Support is available online at: <https://www.cpcnh.org/solicitations>



- b. Rate Design Development, Pricing and Product Structuring
  - c. Grid Edge Enablement and Portfolio Integrations
  - d. Key Account Relationship Management
  - e. Inbound and Outbound Call Center Operations
  - f. Digital Engagement and Orchestration
3. Portfolio Risk Management Services
- a. Energy Portfolio Planning and Development
  - b. Contract Valuation and Procurement
  - c. Deal Capture, Contract Management and Counterparty Monitoring
  - d. Trading, Position Management and Reporting
  - e. Forecasting, Scheduling and Settlements
  - f. ISO shadow settlements and dispute resolution
  - g. ISO monitoring, stakeholder processes, collateral posting and onboarding support
4. Banking and Financial Services
- a. Credit Support
  - b. Secure Revenue Account Administration
  - c. Accounting Support and Controls
  - d. Financial Statement Setup and Review
  - e. Revenue Forecasting and Budgeting
  - f. Invoice Validation
5. Enterprise Data Management to support the development of an in-house central repository of customer and other data for use by CPCNH and authorized third parties to enable research and development of new energy services.
6. Additional Services: respondents were requested to provide any additional descriptions of services not covered above.

**CPCNH Proposal Evaluation Process and Contracting Timeline.** CPCNH's Risk Management Committee is responsible for evaluating, ranking, and scoring proposals and recommending an award to the Board of Directors.

To ensure that the Committee fully evaluates proposals, CPCNH contracted with independent experts with domain expertise derived from:

- Managing and overseeing power supply portfolios and LSE services for an operational **CPA joint power agency**;
- Evaluating proposals, interviewing proposers, and recommending an award for LSE and portfolio management services on behalf of a **CPA joint power agency** that subsequently launched CPA program service, has operated continuously since 2018, and recently gained an industry-first "A" credit rating from S&P Global Ratings on the basis of its fiscal discipline and approach to energy portfolio risk management; and
- Working for a publicly-owned nonprofit enterprise that maintains three operational control centers, supporting 24/7/365 operations to provide LSE and portfolio management services to substantial numbers of clients that serve retail end-use customers.

This RFP evaluation, selection, and ensuing contract negotiations for comprehensive services and credit support inclusive of LSE services is expected to conclude by Winter 2022.

Thereafter, CPCNH's Board of Directors, including Harrisville's appointed Directors, expects to finalize and approve the agency's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies. These critical policies will be provided to the Select Board for review and approval.

At that point, the Town may contract for and authorize CPCNH to provide comprehensive services and credit support inclusive of LSE services to implement and operate Harrisville Community Power.

#### **Town of Harrisville Responsibilities**

The Town considers that it may be likely that CPCNH's solicitation and contracting strategy will succeed, and that CPCNH and its third-party contractors will implement and offer LSE and all services required to launch and operate Community Power to CPCNH Members.

Depending on the results of CPCNH's solicitation and contract negotiation process, LSE services may be implemented as follows:

- CPCNH may contract directly for LSE services with a third-party that is registered or will



register with ISO-NE as a market participant and LSE; satisfies all applicable financial security and other registration requirements with ISO-NE, the Commission, and NH's distribution utilities; and has contractually agreed to assume responsibility for providing all requirements energy on behalf of Harrisville Community Power's municipal, residential, and business customers.

Typically, a third-party would also provide portfolio management services and credit support and assist CPCNH in structuring and maintaining a portfolio of physical and financial contracts to provide all requirements energy to participating customers. In the future, CPCNH may be positioned to register with NEPOOL and ISO-NE as a market participant and LSE directly.<sup>3</sup>

This implementation option would essentially replicate the same approach and structure employed by the New Hampshire Electric Cooperative, which actively manages an all requirements energy portfolio, accrues financial reserves, and provides LSE services for default service customers.

Note that the Town of Hanover (whose Member Director and Alternate Director participate on

the CPCNH Risk Management Committee and proposal evaluation process) is already a market participant and LSE for the Town's **load** obligations.

- CPCNH may alternatively contract with one or more **Competitive Electric Power Suppliers** to provide LSE services and all requirements electricity to customers at a pre-specified rate for a set length of time. Under this arrangement, the Competitive Supplier would either be the designated LSE or would contract with a third-party that has agreed to be the LSE responsible for the CPA's customers.

This implementation option would essentially replicate the same approach and structure employed by NH's regulated distribution utilities (Eversource, Unitil, and Liberty Utilities) under which customers are periodically re-assigned to whichever Competitive Suppliers have won the utilities' default service solicitations.

- CPCNH may also propose a combination of these approaches for the Town's consideration.

The Town will ensure that contracts entered into provide for the implementation of LSE services and full requirement energy supply for customers participating in Harrisville Community Power.

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<sup>3</sup> Refer to CPCNH's draft Business Plan for further details, available under RFP Reference Materials online at: <https://www.cpcnh.org/solicitations>

## Attachment 5: New Hampshire Renewable Portfolio Standard

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

The RPS statute requires each electricity provider, including Eversource and Harrisville Community Power, to meet a certain percentage of customer **load** by purchasing, generating or otherwise acquiring **Renewable Energy Credits** (RECs):

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

There are four distinct "classes" of renewables under the RPS, each distinguishing between

different technologies and dependent upon the year that the generators came online:

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

Electricity suppliers must obtain RECs for each of the four classes of renewables as a set percentage of their retail electric **load**, which increase on an annual basis (until plateauing after 2025, unless the RPS is raised in future), shown in Table 3:

Table 3. RPS Requirements by Year and Class

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

Note the following flexibilities in meeting Class I requirements:

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

Additionally, net metered customers (primarily customers with solar photovoltaics) may register

with NEPOOL and meet certain administrative requirements to track and sell their RECs. Not all customers do, however, and the REC production from such customer generators are estimated by the PUC each year and credited to the customer's supplier for use in complying with Class I and Class II requirements.

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

The result is that these ACP prices essentially act as a price ceiling for the REC market in New Hampshire. The **ACPs** for RECs by class in recent years are shown in Table 4.

Table 4. Inflation Adjusted Alternative Compliance Payment Rate

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

For example, Eversource recently made **ACPs** instead of purchasing Class I thermal RECs, shown in Table 5.

Table 5. 2019 Alternative Compliance Payments

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

For additional information on the New Hampshire Electric Renewable Portfolio Standard (RPS), refer to:

- New Hampshire's RPS, [RSA 362-F](#)
- [PUC's RPS](#) webpage
- New Hampshire **Renewable Energy Fund** Annual Report (1 October 2020)

- UNH Sustainability Institute Study: New Hampshire RPS Retrospective 2007 to 2015

## Attachment 6: Rate Options and Financial Reserves

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

Rate Options. Table 6 provides an illustrative example of a multi-tiered rate structure that would be designed to meet these objectives. Details will be refined and adopted based on consultation from service providers as the program is implemented over time. Again, the program will not launch until certain conditions are met, most notably, securing rates that meet or beat the Eversource default rate at launch.

<b>Table 6: Multi-Tier Rate Plan Illustration</b> (subject to refinement and adoption by the Select Board)		
<b>Products</b>	<b>Product Attributes</b>	<b>Rate Comparison</b>
Default Service (automatic enrollment) <sup>1/</sup>	No increase in carbon-free energy use over NH RPS requirements <sup>2/</sup>	Most competitive rate, meets or beats Eversource default supply rates at launch
Green Start (Opt-up option)	Increase in carbon-free energy use, 25-50% above NH RPS requirements TBD% of regionally sourced renewable energy <sup>3/</sup>	May be higher than or competitive with Eversource default supply rates
Green Prime (opt-up option)	Increase in carbon-free energy, 51-100% above NH RPS requirements TBD% of local, in-state, regionally sourced carbon-free energy <sup>3/</sup>	Higher than Eversource default supply rates
1. Customers would be enrolled in the “Default Service” product and could elect to switch to the “Green Start” or the “Green Prime” product — or back to the Default Service product — at any time. 2. Renewable Portfolio Standards (RPS): in 2021, Eversource is required to include 21.6% renewable energy in their energy supply. This will increase incrementally to 25.2% by 2025, and remain fixed thereafter absent an increase in the RPS. 3. To be determined (TBD): How much energy can be sourced within the region to support local and in-state renewable development. Carbon-free includes wind, solar, hydro, and nuclear energy sources.		
<b>Notes</b> Any resident or business may elect to opt out of the Community Power Plan at any time and remain with the default utility service (Eversource) or chose to take service from a Competitive Electric Power Supplier (CEPS). For reference, the default supply rate charged by Eversource for Rate “R” (Residential Standard Service) is 6.627 cents per kWh as of mid-January 2021.		

Note that Harrisville Community Power, while offering different products with varying quantities and types of **renewable energy**, has a goal of maintaining competitive default rates compared to Eversource.

For reference:

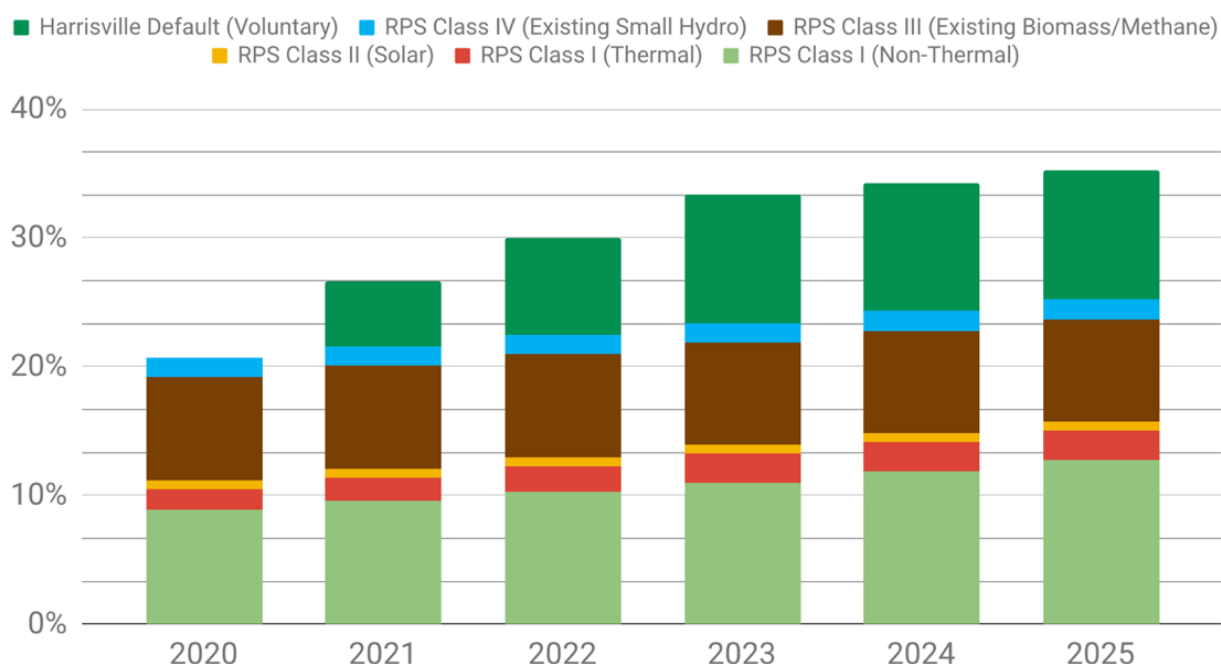
- Eversource issues competitive solicitations for default electricity supply in May and November each year, for delivery in 6-month strips beginning in August and February;
- Default retail rates are fixed over the 6-month period for small customers (e.g., residential) and vary by month for large customers (e.g., industrial);
- As of mid-January 2021, Eversource's default supply rate for Rate "R" (Residential Standard Service) is 6.627 cents per kilowatt-hour (kWh);
- Eversource separately contracts for and otherwise acquires **Renewable Energy Certificates** (RECs) to satisfy its **Renewable Portfolio Standard** (RPS) requirements.
- For 2021, Eversource is required to include 21.6% **renewable energy** in their energy

supply. (This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS).

New Hampshire's RPS requires all electricity suppliers to obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online. Harrisville Community Power could seek to procure voluntary renewables in excess of the RPS minimum requirements from "Class I" resources. (Refer to Attachment 5 for the definition of "Class I" and further details on the RPS.) And, it 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 Harrisville Community Power's additional voluntary purchases that exceed the RPS by 5% to 10% each year for illustrative purposes:

## Renewable Portfolio Standard Requirements + Voluntary Purchases



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

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

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

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

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

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

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

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

## Attachment 7: Customer Data Protection Plan

Harrisville Community Power will protect and maintain the confidentiality of Individual Customer Data in compliance with its obligations as a Service Provider under [RSA Chapter 363](#) (RSA 363:38 and RSA 363:37 “privacy policies for individual customer data; duties and responsibilities of service providers and definitions”) and other applicable statutes and PUC rules.

Individual Customer Data (ICD) includes information that is collected over the course of providing energy services to customers participating in Harrisville Community Power and that, singly or in combination, can be used to identify specific customers, including: individual customer names; service addresses; billing addresses; telephone numbers; account numbers; electricity consumption data; and payment, financial, banking, and credit information.

The Town of Harrisville is responsible for ensuring that reasonable security procedures and practices are implemented and maintained to protect the confidentiality of ICD from unauthorized access, destruction, modification, disclosure, or use.

### Contracting Flexibility for the Town of Harrisville

This plan does not require the Town to participate in CPCNH for the purposes of implementing and operating Harrisville Community Power, but allows that the Town may elect to do so.

The Town may elect an alternative service provider.

In the event that the Town does not contract with CPCNH to provide energy services to Harrisville Community Power, then the Town will coordinate with selected service providers to develop and adopt policies and contracts that ensure compliance with the Town’s obligations as a Service Provider to protect and maintain the confidentiality of ICD under [RSA 363:38](#), [RSA 363:37](#) and other applicable statutes and PUC rules. If the Town selects alternative service providers, the Town will work with those providers to ensure collecting, storing, using, and/or

disclosing any ICD adheres to applicable statutes and regulations.

### CPCNH Capacity, Responsibilities and Organization

CPCNH is a **joint powers agency** authorized under RSA 53-A (“*Agreements Between Governments: Joint Exercise of Powers*”) and [RSA 53-E:3](#) (“*Municipality and County Authorities*”). CPCNH’s Joint Powers Agreement expressly authorizes the agency to:<sup>4</sup>

- “[C]omply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs”;
- “Make and enter into contracts” and “[m]ake and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH’s affairs”; and
- “[D]o all acts permitted... as well as any act necessary, consistent with New Hampshire law to fulfill the purposes” set forth under the agreement, which include assisting “member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing ... Community Power Aggregations”.

CPCNH has begun the process of soliciting and hiring third-parties to provide comprehensive services and credit support to launch Member CPA programs, and is drafting various related enabling agreements, policies, and internal protocols necessary to do so.

### CPCNH Request for Proposals for Comprehensive Services and Credit Support.

CPCNH issued a Request for Proposals for Comprehensive Services and Credit Support (RFP) in April 2022, and is conducting a solicitation process “to select a qualified entity or group of entities to provide comprehensive services and credit support to enable CPCNH to develop, finance, launch, and operate Community

<sup>4</sup> From Section 2.3, Powers, of the By-Laws of CPCNH, found at pages 21-22 of the JPA, available here: [https://www.cpcnh.org/\\_files/ugd/202f2e\\_601bfada901c4a89a1c2812a0638090a.pdf](https://www.cpcnh.org/_files/ugd/202f2e_601bfada901c4a89a1c2812a0638090a.pdf), and more specifically §2.3.11, §2.3.6, §2.3.9, and §2.3 introductory paragraph. Similar language is also in the Articles of Agreement.



Power Aggregation (CPA) programs”<sup>5</sup> on behalf of the Town of Harrisville and other Member communities.

For additional information regarding the use of customer data, and expected operational needs of CPCNH, refer to (1) the RFP at pp. 20-23<sup>6</sup>; (2) the RFP Addendum #2 (issued May 24, 2022); and, pp. 11 in response to Question 15.<sup>7</sup> The latter is excerpted below, and provides a concise summary of CPCNH’s requirements to ensure the confidentiality of ICD —

**Regarding Customer Privacy Compliance:**

*RSA 53-E:4, VI, requires CPAs to maintain the confidentiality of individual customer information in compliance with their obligations as service providers under RSA 363:37 (Definitions) and RSA 363:38 (“Privacy Policies for Individual Customer Data; Duties and Responsibilities of Service Providers”). RSA 53-E:7, X also requires the Public Utilities Commission to adopt Administrative Rules for CPAs governing “access to customer data” and other matters.*

*The selected Proposer will be expected to demonstrate physical and cybersecurity readiness sufficient to ensure customer data is held in strict confidence — e.g., through audits in accordance with the American Institute of Certified Public Accountants Statements on Standards for Attestation Engagements No. 16 (SSAE 16) Service Organizational Controls (SOC) Reports, periodic network vulnerability assessments, etc. — and will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b) and applicable Public Utilities Commission rules.*

*As previously noted, Administrative Rules for CPAs are under development. Refer to the PUC’s Initial Proposal for CPA Administrative Rules (Chapter Puc 2200), specifically the definitions in Puc 2202.07 (“Confidential customer information”) and Puc 2202.02 (“Anonymized”), and Puc 2205.02 (“Application of Puc 2000 to CEPS When Providing Electricity Supply to CPA Customers”).*

*The selected Proposer, as applicable, should expect to comply with relevant portions of the PUC’s current Administrative Rules for Competitive Electric Power Suppliers and Aggregators (Chapter Puc 2000). Refer to Chapter Puc 2000, Puc 2002.09 (definition of “Confidential Customer Information”) and Puc 2004.19 (“Protection of Confidential Customer Information”), which is proposed to apply to CEPS providing electricity supply service to CPA customers pursuant to Puc 2205.02 under the PUC’s Initial Proposal for CPA Administrative Rules.*

The CPCNH Risk Management Committee oversees the RFP and evaluation process. The Committee is composed of Member Board Directors and Alternates plus independent experts with experience operating community power aggregation joint powers agencies and General Counsel, DWGP, P.C., a nationally recognized law firm with substantial expertise in the **community power** and broader public power industry.

Refer to the RFP for a summary of the domain experts participating on the Risk Management Committee and proposal evaluation process, including a Member Board Director who worked for Eversource for 26 years, deploying and/or operating Eversource’s Customer Information System and day-to-day interface with competitive electric suppliers and who was most recently the Director of Customer Center Operations.

The Risk Management Committee will evaluate, rank, and select vendors with a proven track record of successful qualification for EDI transactions, protection of confidential customer information, including what is characterized as ICD under RSA 363, and other relevant factors.

CPCNH expects to conclude the solicitation process and execute contracts by end-2022.

**CPCNH Enterprise Risk Management and Customer Data Policies.** After CPCNH executes service contracts, the Board of Directors will finalize and approve the agency’s Cost Sharing Agreement and Energy Risk Management and

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<sup>5</sup> CPCNH’s Request for Proposals for Comprehensive Services and Credit Support, and additional supporting reference documentation, including the draft Business Plan for CPCNH, are posted online here: <https://www.cpcnh.org/solicitations>.

<sup>6</sup> CPCNH RFP Services and Credit Support for All-Requirements Joint Powers Agency & Community Power Aggregation Programs (April 25, 2022) - [https://www.cpcnh.org/\\_files/ugd/202f2e\\_e781638c123d4cf3977358f845081313.pdf](https://www.cpcnh.org/_files/ugd/202f2e_e781638c123d4cf3977358f845081313.pdf)

<sup>7</sup> CPCNH RFP Addendum 2 (May 24 2022) - Pages 11-12 at [https://www.cpcnh.org/\\_files/ugd/202f2e\\_8ceed8824453482c902a8a0fa1ab826c.pdf](https://www.cpcnh.org/_files/ugd/202f2e_8ceed8824453482c902a8a0fa1ab826c.pdf).

Financial Reserves policies. The Energy Risk Management and Financial Reserves policies will be subsets of CPCNH's Enterprise Risk Management Policy that will cover relevant elements of cybersecurity and data confidentiality requirements and other topics.

CPCNH's Joint Powers Agreement requires the Risk Management Committee to draft and recommend the Enterprise Risk Management Policy for consideration and adoption by its Board of Directors.<sup>8</sup>

Thereafter, Harrisville's appointed Directors would be able to provide the Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies to the Select Board for consideration.

At that point, the Town by vote of the Select Board may contract for and authorize CPCNH to provide specific services on behalf of Harrisville Community Power.

CPCNH's Board of Directors was recently presented with a plan to develop additional specific policies and the Treasurer prepared a budget to allocate sufficient funding to support the drafting and review process over the summer and fall.

Two relevant such policies are:

1. Record Retention & Disposal Policy to provide a process that ensures compliance with the proper retention, protection, and timely destruction of all records created or obtained by, or otherwise in the possession and control of, CPCNH, consistent with all legal requirements.
2. Data Security and Privacy Policy to define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of confidential information.

**CPCNH Requirements to Access and Use of Individual Customer Data.** In CPCNH's capacity

as a service provider to the Town, the agency and third parties contracted through CPCNH to provide services to Harrisville Community Power will need to access and use ICD for operational needs and for the research, development, and implementation of new rate structures and tariffs, **demand** response, customer assistance, energy management, and/or energy efficiency programs on behalf of Harrisville Community Power.

Third parties under contract to CPCNH that may require access to ICD on behalf of Harrisville Community Power may include CEPS (**Competitive Electric Power Suppliers**) functioning as **Load Serving Entities** (LSEs) for the supply of all requirements energy, or other third-party vendors providing LSE services as well as portfolio management, Electronic Data Interchange (EDI), Customer Information System (CIS), billing, accounting, and related services, and other contractors and academic institutions under contract to support the research and development of potential new energy services to offer to customers participating in Harrisville Community Power.

Specific types of ICD that Harrisville Community Power, CPCNH, and third parties under contract are expected to receive and possess include:

- Name, address, account number, and other information about electric customers within the Town for purposes of sending required notification of Harrisville Community Power Commencement of Service and enrollment of customer in Harrisville Community Power, consistent with initially proposed Puc 2204.04, .05, and .06, as they or equivalent rule provisions, may be adopted by the PUC, and the requirements of [RSA 53-E:7](#), III, V, and VI.
- Individual customer information used for operation of Harrisville Community Power, such as that in initially proposed Puc 2205.13, most of which may be accessed through the EDI. The need and use for such information, and a

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<sup>8</sup> CPCNH's Risk Management Committee is also responsible for (1) reviewing major risk exposures and monitoring the steps taken to control risk exposures and (2) commissioning an independent agent to conduct and deliver an evaluation of the operational performance of the agency relative to the Enterprise Risk Management Policy every two years (starting three years after the commencement of CPA service, and as otherwise requested by the Board).

proposed modification of this particular rule, are addressed in CPCNH's 3/14/22 Comments on the PUC's initial rule proposal for CPAs, in docket # [DE 21-142](#)<sup>9</sup>, and in its 3/28/22 Reply Comments.<sup>10</sup>

- Other confidential customer information that may be received or collected directly by Harrisville Community Power or CPCNH, or through sources other than the EDI due to customer participation in particular related programs or services, billing operations, other customer services, or that may be volunteered by customers, will likewise only be used for statutorily authorized purposes as ICD.

Ongoing collection and use of individual customer data of the types described in proposed Puc 2205.13 will be used for both:

1. **General operational needs** for retail power supply and related energy services operational needs, such as load and supply forecasting, portfolio management, billing and audit processes, and for research and development of potential new energy services to offer to customer participants; and
2. **Programmatic and customer-specific services and offerings**, such as responding to customer account queries, opt-in rates or demand side management for customers with flexible demand, distributed generation or storage, and interval meters; and other energy services that may be offered including programs for Low-Moderate Income participants that are qualified in the **Electric Assistance Program**.

In compliance with [RSA 363:38](#) and [RSA 363:37](#), CPCNH and third parties contracted through CPCNH that require access to ICD to provide services to Harrisville Community Power will be contractually required to:

- Implement and maintain reasonable security procedures and practices appropriate to the nature of the ICD.
- Protect ICD from unauthorized access, use, destruction, modification, or disclosure.
- Use ICD solely for primary purposes, such as: complying with the provisions of RSA 53-E:7, II;

providing or billing for electrical service; meeting system, grid, or operational needs; researching, developing, and implementing new rate structures and tariffs, **demand** response, customer assistance, energy management, or energy efficiency programs; and for research and development of potential new energy services to offer to customer participants.

- Collect, store, use, and disclose only as much ICD as is necessary to accomplish the aforementioned primary purposes.
- Not use ICD for a secondary commercial purpose unrelated to the aforementioned primary purposes of the contract without the express consent of the customer.
- Return or permanently delete all ICD after contract termination and deliver a certificate, signed by an authorized representative, stating that all ICD has been returned or permanently deleted and that all materials based on ICD have been destroyed, as appropriate (i.e., except for copies necessary for tax, billing, or other financial purposes).

Additionally, if CPCNH contracts with one or more Competitive Suppliers to provide LSE services to participating customers, or brokers to support operations in a capacity that would require access to ICD, then the Competitive Suppliers and/or brokers would additionally be required to comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), which are excerpted below in the section "Statutory and Rule Requirements" for reference.

### **Town of Harrisville Responsibilities**

The Town may contract for all requirements electricity supply and related energy services through CPCNH as a **joint powers agency**. In that case, the primary acquisition and use of ICD would be through CPCNH and the vendors placed under contract to provide comprehensive services for the operation of Harrisville Community Power.

The Select Board may then review and confirm that CPCNH has adequate policies, procedures and measures in place to protect confidential

<sup>9</sup> See p. 2 paragraph 4 and p. 4 paragraph 6 at: [https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142\\_2022-03-14\\_CPCNH\\_COMMENTS.PDF](https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142_2022-03-14_CPCNH_COMMENTS.PDF).

<sup>10</sup> See p.4-11, and Comments on proposed Puc 2203.02(b)(1) on p. 13, Puc 2204.02(a)(1)-(4) on pp. 16-17, and Puc 2205.13 p. 23 [https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142\\_2022-03-28\\_CPCNH\\_OCA\\_CENH-COMMENTS.PDF](https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142_2022-03-28_CPCNH_OCA_CENH-COMMENTS.PDF).

information and that contractual requirements consistent with the Town's obligations to protect ICD as required under [RSA 363:37](#), [RSA 363:38](#) and [RSA 53-E:4](#), VI and consistent with PUC rules, including Puc 2004.19 and its non-disclosure restrictions, are incorporated into any contracts with CPCNH, or any other third parties whether through CPCNH or directly with the town in the event the Town contracts with a different LSE.

Contracts and policies will provide:

- Third-party security assessment requirements regarding: Information Security Management; Personnel Security; Systems Development and Maintenance; Application Security; System Security; Network Security; Data Security and Integrity; Access Control; and Vulnerability Management.
- Third-party security requirements including: (1) User Account and Access Controls to ensure that only authorized individuals have access to ICD for legitimate primary purposes under [RSA 363:38](#), which may include the need for non-disclosure agreements; (2) Handling of Sensitive Data Protocols to protect confidential customer information from unauthorized access, use, destruction, modification, or disclosure; (3) Breach Reporting, including obligations to report a security breach as defined in [RSA 359-C:19](#), V and required by [RSA 359-C:20](#) and any other applicable laws, rules, or utility requirements for data breach reporting; (4) Plan for deletion and destruction of ICD when it is no longer necessary to accomplish primary purposes pursuant to [RSA 363:38](#); and (5) Prohibitions on use of ICD for a secondary commercial purpose not related to the primary purpose of vendor's contract without the express consent of the customer.
- Third-party documentation and reporting requirements regarding, as applicable: Audit Reports (e.g. SSAE 16/SOC Report); Documentation describing Control practices used to review sub-vendors; Maintenance of an Information Security Program; Training Program for Employees on Cyber Awareness; Background checks performed for all employees with access to ICD; Immediate Data Breach reporting to appropriate parties; and any material changes in Data Security practices since prior review and approval.

## Additional References: Statutory and Regulatory Requirements

The sections below are provided for additional reference, and summarize the different requirements that apply to (1) Community Power **Aggregators** and Service Providers, (2) brokers and Competitive Electric Power Suppliers (CEPS) that provide LSE services under contract to Community Power **Aggregators**, and (3) access to ICD through the Multi-Use Energy Data Platform authorized under [RSA 378:50-54](#) (if and when it becomes operational).

**Statutory Requirements for Community Power Aggregators & Service Providers.** Statutory requirements regarding the use of Individual Customer Data for Community Power **Aggregators** are summarized below:

- [RSA 363:37](#), I defines Individual Customer Data (ICD) as *"information that is collected as part of providing electric, natural gas, water, or related services to a customer that can identify, singly or in combination, that specific customer, including the name, address, account number, quantity, characteristics, or time of consumption by the customer."*
- [RSA 363:38](#), IV requires Service Providers to *"use reasonable security procedures and practices to protect individual customer data [ICD] from unauthorized access, use, destruction, modification, or disclosure."*
- [RSA 53-E:4](#), VI provides that Community Power Aggregations (CPAs) *"shall be subject to [RSA 363:38](#) as service providers and individual customer data shall be treated as confidential private information and shall not be subject to public disclosure under RSA 91-A"*.
  - The definition of Service Provider under [RSA 363:37](#), II includes *"an aggregator, as defined by RSA 53-E:2, II...and any other service provider that receives individual customer data [ICD]..."*
  - [RSA 53-E:2](#), II defines an "aggregator" in this context as *"any municipality or county that engages in aggregation of electric customers within its boundaries"*.
  - [RSA 53-E:2](#), VI further defines "municipality" in this context as *"any Town, town, unincorporated place, or village district within the state."*



- [RSA 363:38](#), II requires Service Providers to: *"(a) Collect, store, use, and disclose only as much individual customer data [ICD] as is necessary to accomplish primary purposes, and (b) Use individual customer data solely for primary purposes."*
- [RSA 363:37](#), III defines "[p]rimary purpose" as *"the main reason for the collection, storage, use, or disclosure of individual customer data [ICD] which is limited to: (a) Providing or billing for electrical or gas service. (b) Meeting system, grid, or operational needs. (c) Researching, developing, and implementing new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs."*
- [RSA 53-E:4](#), VI further authorizes approved Community Power Aggregations to *"use individual customer data to comply with the provisions of RSA 53-E:7, II and for research and development of potential new energy services to offer to customer participants."*
- [RSA 363:38](#), V(b) further makes clear that a Service Provider may disclose ICD *"to a third party for system, grid, or operational needs, or the research, development, and implementation of new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs"* — provided that the Service Provider *"has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, use, destruction, modification, or disclosure, and to prohibit the use of the data for a secondary commercial purpose not related to the primary purpose of the contract without the express consent of the customer."*
- [RSA 363:38](#), V(c) provides that *"[n]othing in this section shall preclude a service provider from disclosing electric, natural gas, or water consumption data required under state or federal law, or which is identified as information subject to warrant or subpoena or by an order of the commission."*
- [RSA 363:38](#), V(a) makes clear that ICD may be aggregated and used for *"analysis, reporting, or program management after information that identifies an individual customer has been removed."*

**Additional Requirements Specific to Brokers and Competitive Suppliers.** Pursuant to Puc 2205.02 under the PUC's Initial Proposal for CPA Administrative Rules, brokers and Competitive Suppliers that are hired by municipalities to manage and operate Community Power Aggregations and provide LSE services to participating customers must comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), which is excerpted below for reference along with Puc 2002.09 (*Confidential Customer Information*).

Note that the use of the term **"aggregator"** throughout Puc 2004.19 below refers to brokers and does not refer to or otherwise apply to Community Power Aggregators.

As context, these requirements are part of the Commission's [Chapter Puc 2000 rules](#) (*"Competitive Electric Power Supplier and Aggregator Rules"*), which apply to Competitive Suppliers and brokers— referred to as "CEPS" and "aggregators" below, respectively — and are expressly not applicable to *"municipalities or counties providing electricity or aggregating within the boundaries of participating municipalities under RSA 53-E"* (Community Power Aggregators) per Puc 2001.02 (*application of rules*).

**Puc 2002.09 "Confidential customer information"** means information that is collected as part of providing electric services to a customer that can identify, singly or in combination, that specific customer, and includes the customer name, address, and account number and the quantity, characteristics, or time of consumption by the customer, and also includes specific customer payment, financial, banking, and credit information.

....

**Puc 2004.19 Protection of Confidential Customer Information.**

(a) No CEPS or aggregator shall, except as permitted under (c) below or as otherwise required by law, release confidential customer information without express written authorization from the customer.

(b) A CEPS or aggregator shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect confidential customer information from unauthorized access, use,

*destruction, modification, or disclosure, and to prohibit the use of the confidential customer information for a secondary commercial purpose not related to the primary purpose of the service provided to the customer, without the express written consent of the customer.*

*(c) A CEPS or aggregator may disclose to a third party subject to non-disclosure restrictions confidential customer information as necessary for any one or more of the following purposes:*

- (1) Billing for electric service;*
- (2) Meeting electric system, electric grid, or other operational needs;*
- (3) Implementing any one or more of the following programs:*
  - a. Demand response;*
  - b. Customer assistance;*
  - c. Energy management; and*
  - d. Energy efficiency.*

*(d) For purposes of this section, the term “non-disclosure restrictions” means that the CEPS or aggregator has required by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the confidential customer information from unauthorized access, use, destruction, modification, or disclosure, and to prohibit the use of the confidential customer information for a secondary commercial purpose not related to the primary purpose of the contract without the express consent of the customer.*

*(e) A customer granting authorization to release confidential customer information for purposes described in the terms and conditions of service shall satisfy the requirement in (a) above.*

*(f) A CEPS or aggregator granted agency authority shall be deemed authorized to obtain customer usage information when it has received customer authorization as described in Puc 2004.08 or Puc 2004.09.*

*(g) In the event of a dispute about the release of confidential customer information, including whether the information is or should be confidential, a CEPS, aggregator, or customer may file a complaint with the commission for resolution.*

**Additional Requirements for the Multi-Use Energy Data Platform.** If and when the Multi-Use Energy Data Platform (Platform) authorized under [RSA 378:50-54](#) becomes operational, Harrisville Community Power and any third-parties under contract that require access to ICD sourced from the Platform — such as CPCNH and third-parties contracted through CPCNH — will be required to comply with any Platform User Requirements, Privacy Standards, Annual Attestations, and obligations to report a security breach pursuant to terms of Settlement Agreement conditionally approved by the PUC in [DE 19-197](#) and detailed in Exhibit C of the Agreement found in [Exhibit 1B](#) and as may be actually implemented.

## Attachment 8: Eversource Net Energy Metering Overview

Tables 7a and 7b summarize Eversource's "standard" and "alternative" **net energy metering** tariff, as approved by the PUC, for small and large customer generators. Note that NEM customers switching to Harrisville Community Power will only see a change in the Default Energy Service component of their rate (highlighted below) and may be offered different credit mechanism options for this component; Eversource will continue to credit the customer directly for all other components listed below.

<b>Table 7a: Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid</b> Tariff for SMALL Customer-Generators ≤ 100 Kilowatts (kW)		
<b>Bill Component</b>	<b>Standard NEM</b> (in effect prior to 9/1/2017)	<b>Alternative NEM</b> (effective 9/1/2017)
Customer Charge	No	No
Distribution Demand Charge (if applicable)	No	No
<b>Distribution</b> (volumetric charges based on kWh)	Full Credit in kWh	25% Credit in \$
<b>Transmission</b> (volumetric charges based on kWh)	Full Credit in kWh	Full Credit in \$
Eversource provided <b>Default Energy Service</b> (volumetric charges based on kWh)	Full Credit in kWh	Full Credit in \$
System Benefits, Stranded Cost, Storm Recovery (volumetric charges based on kWh)	Full Credit in kWh	No Credit: these charges are applied to all kWh imports. No credit for exported kWh
Credit Mechanism (end of each billing cycle)	Net kWh Carried Forward. Credits accumulated year over year can be refunded at a rate calculated by the PUC (~3-4¢/ kWh)	kWh converted to monetary credit. Monetary credit carried forward as a bill credit or refundable

<b>Table 7b: Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid</b> Tariff for LARGE Customer-Generators > 100 Kilowatts (kW) and up to 1 MW		
<b>Bill Component</b>	<b>Standard NEM</b> (in effect prior to 9/1/2017)	<b>Alternative NEM</b> (effective 9/1/2017)
Customer Charge	No	No
Distribution Demand Charge (in kW, applicable to larger C&I)	No	No
<b>Distribution, Transmission, System Benefits, Stranded Cost, Storm Recovery</b> (volumetric charges based on kWh)	No Credit	No Credit
Eversource provided <b>Default Energy Service</b> (volumetric charges based on kWh)	Full Credit in kWh	Full Credit in \$
Credit Mechanism (end of each billing cycle)	Net kWh Carried Forward Credits accumulated year over year can be refunded at a rate calculated by the PUC (~3-4¢/ kWh)	kWh converted to monetary credit. Monetary credit carried forward as a bill credit or refundable.



## Attachment 9: Glossary of Terms

(Words or terms in **bold** are defined in this Attachment.)

**Aggregation:** The process of selecting a mix of energy sources available on the wholesale electricity market to make available sufficient energy to meet the needs of a group of retail customers. The mix of sources allows for control of availability, renewable energy content and cost. Aggregation is best left to the professionals who know the wholesale market but are also responsive to the renewable energy goals of Harrisville Community Power.

**Aggregator:** Any person or entity, other than a utility, that aggregates electric load or serves as a **Broker** on behalf of a **Competitive Electric Power Supplier**, an individual customer, a group of customers, or any combination thereof (such as Harrisville Community Power). An aggregator does not take ownership of the electricity. Harrisville Community Power will use an aggregator to help obtain electricity from various electricity generators to create the electricity mixes to be offered to our residential and commercial customers.

**All-Requirements Electricity or All-Requirements Electricity Supply Service:** Electricity and everything else that is needed to provide it reliably to the customer (such as **Capacity**, ancillary services, transmission services, transmission and distribution losses, congestion management) while meeting all the regulatory requirements, especially the state's **Renewable Portfolio Standard (RPS)**. The RPS is met by either acquiring **Renewable Energy Certificates** or making **Alternative Compliance Payments**.

**Alternative Compliance Payments (ACP):** See **Renewable Energy Fund**.

**Broker:** Energy brokers are intermediaries between **Competitive Electric Power Suppliers (CEPS)** and their clients. Brokers do not own or distribute energy and they are not allowed to sell energy directly to you. They simply present the rates of a wholesaler, or supplier.

**Capacity:** The ability to generate electricity and provide Electric Power to the distribution grid. There is a market for capacity in New England, in

addition to the electric energy market. Capacity costs are part of **All-Requirements Electricity** and are reflected in the electricity supply rates.

**Community Power:** Recently allowed in New Hampshire as an alternative to utility-supplied electricity, Community Power allows towns to acquire electricity (with the help of an **Aggregator**) and supply it to their municipal, residential, and commercial ratepayers. The utility (in our case, Eversource) continues to be responsible for distributing the electricity and maintaining the power lines.

**Community Power Coalition of New Hampshire (CPCNH):** The Town of Harrisville was one of 14 founding members of this nonprofit **joint powers agency**. CPCNH was formed in 2021 to jointly implement and operate **Community Power** programs, and its membership comprises towns, cities, and as of December 2022, one county. CPCNH is a forceful advocate for Community Power and intends to act as an aggregator for its members.

**Competitive Electric Power Supplier (CEPS):** An entity that sells or offers to sell **All-Requirements Electricity** to retail customers, including **Net Meter** customers, using the transmission or distribution facilities of a utility. These entities are one type of **Load Serving Entities (LSEs)** that are market participants in the regional wholesale electricity market administered by **ISO New England**.

**Demand:** The level of electricity consumption, measured in kilowatts (kW) or megawatts (MW) at any load (see **Load**).

**Electric Aggregation Plan (EAP):** The plan created and approved by the town to organize Aggregation of Electric Power.

**Electric Assistance Program:** This Program can help income eligible customers pay their electric bills. The Program provides eligible customers with a discount on their monthly electric bills. The discounts range from 8% to 76%, depending on the customer's gross household income and household size.

**Electricity Supply Agreement (ESA):** Also known as “Electricity Service Agreement”, “Electric Supply Agreement”, or “Energy Supply Agreement” (all used interchangeably). An **ESA** is an agreement which commits the energy supplier to provide **All-Requirements Electricity**.

**Energy Supplier:** Anyone who supplies electricity to customers, such as the actual electricity generators (owners of power generation), **brokers, aggregators**, and pools that arrange for the supply of electricity generation to meet retail customer demand, which may be municipal or county entities. Harrisville Community Power will be the Energy Supplier listed on participants’ Eversource bill.

**Grid:** The network of the transmission lines, substations, and associated equipment of an electric power system which enables the delivery of electric energy to the customer in New England is by ISO-New England. The grid has an additional property, that of **Capacity**, which is the ability to generate and supply power to the grid. There are markets for both Energy and Capacity. In addition, utilities (like Eversource) and **LSEs** must acquire sufficient **Renewable Energy** to meet the **Renewable Portfolio Standard (RPS)** with **Renewable Energy Certificates (REC)** or pay into the **RPS**.

**Group Net Metering:** Provides the ability of a net-metered “host” to share the proceeds of the self-generated power with non-net metered customers (a “group”) if they all belong to the same utility. A group can be a single person, multiple customers, or even a low to moderate income community solar project.

**Harrisville Community Power:** A new program to provide electricity to residents, businesses, and other entities on a competitive basis within the town of Harrisville.

**ISO New England:** An independent, not-for-profit company authorized by the Federal Energy Regulatory Commission (FERC) ensuring the constant availability of competitively priced wholesale electricity by managing the transmission lines in Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and most of Maine. Aggregators go to the wholesale market overseen by ISO New England to buy the mix of energy they need for their clients.

**Joint Powers Agency:** A new governmental body created when separate governmental

agencies (such as towns, counties, school districts, water districts, etc.) contract with each other for the purpose of joint cooperative action. Refer to NH Agreements between Government Units, Rev Stat § 53-A:3 - Joint Exercise of Power. CPCNH is a Joint Powers Agency formed for the purpose of providing **community power** service to its members.

**Load:** Electrical “Load” is defined as the level of electric power required from the distribution **grid**, as measured in kilowatts (kW) or megawatts (MW), to be used by end customers.

**Load Serving Entities (LSEs):** Organizations that directly supply retail customers with electricity. Most LSEs in New Hampshire are **Competitive Electric Power Suppliers (CEPS)**. LSEs typically are responsible not only for procuring **All-Requirements Electricity** for their retail customers, but also the **Capacity** necessary to guarantee a reliable electricity supply.

**Net Energy Metering (NEM):** Net Energy Metering is a utility billing mechanism that offers a credit to residential and business customers who generate excess electricity and send it back to the grid. For example, if a residential solar system generates more electricity than the household uses, the difference (“net energy”) is credited to the customer (and the excess energy is put back to the grid for the community to use). The NEM rate schedule differs for systems installed before September 2017 (NEM 1.0) and after (NEM 2.0).

**Net Energy Metering, Standard (NEM 1.0):** A rate schedule for owners of solar arrays (or other renewable energy sources) that compensates the customer for excess energy that is sent back to the grid. NEM 1.0 is for installations brought online before September 1, 2017, and sets the rate to include the full retail value of the energy, distribution, transmission, system benefit charge and stranded cost charge. Excess kWh could be banked (in summer when production is higher) and used later to offset usage when production is lower (winter).

**Net Energy Metering, Alternative (NEM 2.0):** A rate schedule for owners of solar arrays (or other renewable energy sources) that compensates the customer for excess energy that is sent back to the grid. NEM 2.0 is for installations brought online on September 1, 2017, or later, and sets the rate to include the full retail value of the energy and transmission charges, 25% of

distribution and 0% of system benefit charge and stranded cost charge. Excess production is not banked for later use but is converted to monetary credit that can be carried forward.

**Net meter, bi-directional:** Used in conjunction with a solar array (or other renewable energy system), a net meter is an advanced electric meter capable of measuring electricity flowing both from the grid and excess energy production back to the grid. It is used to record how much electricity has been “purchased” from the grid as well as the customer’s “sales” of renewable electricity to the utility. Bi-directional metering, one of several different types of utility meters, are installed for customers who generate electricity in parallel with the electric company. They measure how much energy is consumed and how much (excess) energy is feeding back to the grid.

**New England Power Pool Generation Information System (NEPOOL GIS):** Issues and tracks *community power service to its members*.

**Public Utility Commission (PUC):** Public Utility Commissions are governmental bodies created to regulate the rates, quality of service, finance, accounting, and safety provided by utilities that provide electricity, natural gas, water, and sewer. The PUC sets the rules under which utilities operate. “NHPUC’s mission is to ensure that customers of regulated utilities receive safe, adequate and reliable service at just and reasonable rates.” PUC rulemaking includes Community Power Aggregation provisions. In July 2022, the PUC approved Community Power rules that will allow cities and towns to save money and prioritize renewable energy.

**Renewable energy:** Energy that is created from an energy source that is renewed through a natural process. Solar (both photovoltaic and solar-thermal), wind (terrestrial and off-shore), hydropower, geothermal, and biomass (including renewable natural gas) are considered renewable. Coal, petroleum, natural gas, and nuclear are considered non-renewable energy sources.

**Renewable Energy Credit or Certificate (REC):** To meet the **Renewable Portfolio Standard**, utilities must acquire Renewable Energy

Certificates representing the amount of energy supplied to their customers (one Certificate = 1 MWh). Residential solar arrays also can generate RECs if the owner registers the system with NEPOOL GIS. Unregistered private energy production can be “claimed” by utilities without compensation, which lowers the value of all RECs. Since electrons don’t have tags to prove they were created from renewable sources, RECs are issued to the generators when they add electricity to the grid, and then transferred to utilities or aggregators when they draw it for distribution to their customers.

**Renewable Energy Fund:** The Renewable Energy Fund is administered by the PUC to collect and redistribute funds through rebate programs and competitive grant solicitations. One source for the REF is the Alternative Compliance Payments program (ACP). Electric service providers who cannot obtain sufficient quantities of RECs for a given compliance year are required to make payments to ACPs.

**Renewable Portfolio Standard (RPS):** Utilities are required to provide electricity (in a “portfolio” of renewable and non-renewable sources) with a minimum percentage of Renewable Energy. Since 2008, the RPS has risen from 4% renewable to 22.5% in 2022. The required percentage of renewable energy will continue to increase until it reaches 25.2% in 2025.

**REC meter:** An electric meter that is placed to measure the output of a solar array or other renewable energy generation source and is installed in a manner compliant with utility requirements (refer to Eversource information on RECs). Home and business owners could make money from RECs by registering their solar arrays with NEPOOL GIS, in addition to monetary value obtained from **Net Metering**.

**System Benefits Charge:** Refer to your Eversource bill; this charge funds energy efficiency programs for all customers as well as assistance programs for residential customers within certain income guidelines.