



**Nashua Community Power
Electric Aggregation Plan**

**As Approved by the Nashua Board of Aldermen on
12/13/2022**

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INTRODUCTION

As described in this Electric Aggregation Plan (“Plan”), the City of Nashua is developing a Community Power Aggregation program to provide expanded choice for electric power supply and services for customers within the City.

Pursuant to RSA 53-E:6, this Plan describes the purpose of the Nashua Community Power program, as well as how it will be organized, implemented, and operated. It is subject to approval by the Nashua Electric Aggregation Committee, adoption by the Board of Aldermen by a majority of those present and voting, and approval of the Public Utilities Commission for compliance with statutory and legislative requirements.

What is Community Power Aggregation?

Community Power Aggregation (CPA) refers to the grouping of retail electric customers within a municipality or group of municipalities to provide, broker or contract for electric power supply and related services for those customers. Communities typically implement CPA programs for the sake of cost savings, environmental sustainability, sourcing electricity from local energy sources or some combination of these. By law, programs must be self-funded through revenues generated by participating customers. The City may not use tax revenues to cover program costs, apart from incidental expenses associated with complying with enabling statutory requirements.

With aggregation, the City has the potential to offer a wider choice of energy supply options and more equitable access to innovative services for its residents and business, including choices that enhance energy affordability, support a larger proportion of community held renewables, and advance transportation and building electrification. Be self-funded through revenues generated by participating customers (the City will not use taxes to cover program expenses).

Community Power programs only change the sources of electricity for participating customers, and do not change how electricity is delivered over the transmission or distribution grid. Eversource would remain the utility that is responsible for maintaining the distribution grid and delivering electricity purchased by the program to participating customers.

Currently, customers in the City who have not chosen to contract with a Competitive Supplier are provided electricity supply under Eversource’s default service tariff. The utility issues solicitations for suppliers to provide electricity to these default service customers every six months, and both the timing of the solicitations and approval of the resulting supply rates are regulated by the Public Utilities Commission.

Community Power programs serve as an alternative default supplier of electricity. Customers would have the option to participate in Nashua Community Power or continue meeting their electricity needs either through Eversource’s default service or through a third-party competitive supplier:

- Based on the most recent available data, approximately 17% of Eversource’s residential customers and ~32% of commercial and industrial customers purchase their electricity from a competitive supplier. The launch of Nashua Community Power will have no effect on those customers, other than providing them with the option to request to “opt-in” to the program.
- Customers currently on Eversource’s default service would be mailed “opt-out” notices that provide them a choice of whether to participate. These customers would be enrolled upon program launch unless they have chosen to opt-out of the program. Thereafter, customers on

default service provided by Nashua Community Power would be allowed to switch back to Eversource's default service option or to a competitive supplier at no cost.

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

	<u>Utility Default Supply Customers</u> (Eligible for Opt-Out Notifications & Automatic Program Enrollment)		<u>Competitive Supply Customers</u> (Eligible for Opt-In Notifications & Voluntary Program Enrollment)	
	Customer Accounts	Annual Usage (MWh)	Customer Accounts	Annual Usage (MWh)
Residential	32,558	189,900	6,624	44,300
Commercial	4,856	66,800	2,008	96,600
Industrial	111	3,490	52	3,530
Total	37,525	260,190	8,684	144,430

Aggregated data shown was provided by Eversource in 2020. Note that Commercial includes street lighting.

Additional details about how customers would participate in Nashua Community Power are provided under section "Electric Aggregation Plan Statutory Requirements" herein.

Why Consider Community Power Now?

Community Power Aggregation is not new and was first enabled in 1996 when RSA 53-E and other statutes associated with electric utility restructuring were enacted. While allowed since then, the policy has not been implemented successfully in New Hampshire because of statutory impediments to program implementation. Those impediments made it difficult to reach the critical mass of customers necessary to support the cost-effective provision of competitive electric supply services. In 2019, SB 286 amended RSA 53-E to allow programs to be established under an "opt-out" customer enrollment framework, so that Community Power programs could serve as the default electricity supplier of choice for customers who are currently on utility default supply service.

Responding to this new opportunity, the Board of Aldermen (1) unanimously approved entering into a Joint Powers Agreement to incorporate a new nonprofit power agency in October 2021 (the Community Power Coalition of New Hampshire or the "Coalition"), (2) appointed a representative to serve on the Coalition's Board of Directors alongside other communities seeking to implement Community Power programs, and (3) established the Nashua Electric Aggregation Committee in October of 2021 to evaluate the advisability of, and prepare a plan for, implementing a Community Power program for the City.

Purpose and Structure of this Electric Aggregation Plan

This plan commits Nashua Community Power to comply with applicable statutes and regulations in terms of:

- Providing universal access, reliability, and equitable treatment of all classes of customers subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the

provision of service under Community Power.

Adoption of this plan does not otherwise commit the City to any defined course of action and does not impose any financial commitment on the City.

The remainder of the plan sets forth the City's policy goals and requirements for our program which are to:

- Summarizes program the approval process and options for implementation.
- Address each of the statutory requirements of an Electric Aggregation Plan pursuant to RSA 53-E (*Aggregation of Electric Customers by Municipalities and Counties*).
- Provide a number of attachments with additional context regarding Community Power, the Community Power Coalition of New Hampshire, more technical aspects of the electricity industry, and the associated compliance requirements for Nashua Community Power.

PROGRAM IMPLEMENTATION PROCESS

The Electric Aggregation Committee has determined that this Plan satisfies applicable statutory requirements and is in the best, long-term interest of the City and its residents, businesses, and other electricity customers. It was developed with due input from the public, as required under RSA 53-E. Publichearings were held on [11/27/2022] and [12/13/2022], 2022.

Approval of this Plan by the Aldermen and Public Utilities Commission

Adoption of this Plan by the Board of Aldermen, which is subject to approval by a majority of those present and voting, will establish Nashua Community Power as an approved electric aggregation program with statutory authorities defined under RSA 53-E:3, to be exercised with due oversight and local governance, as described herein, and will authorize the Board of Aldermen to provide, broker or contract for the services necessary to launch and operate Nashua Community Power.

After adoption by the Board of Alderman, this plan will be submitted to the Public Utilities Commission for review in compliance with applicable statutory and rule requirements. Approval of the plan authorizes Nashua Community Power to commence the process of implementing electricity supply service, notifying customers, and launching the program pursuant to the Public Utilities Commission's rules (Chapter Puc 2200, titled *Municipal and County Aggregation Rules*).

Options to Implement Nashua Community Power

This plan provides the Board of Aldermen a choice of two different options for implementing the program. After consultation with the Mayor and the Electric Aggregation Committee, the Board of Aldermen may decide to either:

- Hire an electricity broker / consultant, and subsequently contract with a Competitive Electric Power Supplier (CEPS) to provide all the electricity and related services required to launch and operate Nashua Community Power; or
- Continue to participate fully in a Community Power Joint Powers Agency in New Hampshire and rely on the Joint Powers Agency to provide for all the electricity and related services required to launch and operate Nashua Community Power.

These two options have different implementation processes and organizational structures, as summarized below:

Electricity Broker / Consultant and Competitive Supplier Option

The Board of Aldermen may choose to implement the program relying solely on the City's own initiative and resources, as follows:

1. The City's Energy Manager (or alternatively herein, the Mayor's designee) would be responsible for carrying out a competitive solicitation process to hire an electricity broker / consultant. Thereafter, they would provide day to day management oversight of the program, including direct oversight of the contracts for power purchasing, customer services, utility relations, and fiscal management.
2. The electricity broker / consultant would manage certain program activities under the direction of the Energy Manager. Their responsibilities would include, among others, coordinating and interacting with Eversource, drafting Energy Risk Management, Rates, and Financial Reserves policies for the City's finalization and approval, developing and implementing customer

communication and education activities, providing periodic reports to the City, and negotiating an Electric Services Agreement (ESA) with a Competitive Electric Power Supplier (CEPS).

3. The Board of Aldermen would review and approve execution of the Electric Services Agreement, which would provide for a fixed rate that would be charged to customers for the term of the contract with the Competitive Supplier (typically one to three years in duration), and with the Energy Risk Management, Rates, and Financial Reserves policies for the program.
4. The Competitive Supplier would be relied upon to provide all-requirements electricity for the program, along with customer services (including utility data interchange, data management, customer billing, and call center services) and would fulfill other responsibilities as detailed in the Electric Services Agreement (ESA), under terms deemed reasonable and appropriate for the retail electric customers by the City's Energy Manager.

Community Power Coalition of New Hampshire Option

Alternatively, the Board of Alderman may choose to participate fully in the Community Power Coalition of New Hampshire, and rely on the Joint Powers Agency to implement the program, as follows:

1. Nashua's appointed CPCNH Member Representatives (currently, the City's Energy Manager and Sustainability Director would continue to serve on the Coalition's Board of Directors to help oversee the start-up and operation of the agency, provide feedback and direction to the Coalition's service providers preparing to launch the program, and report back regularly to provide status updates on any matter that warrants attention or requires action by the Board of Aldermen.

The Board of Aldermen could also elect to delegate certain additional decision-making authorities to Nashua's Member Representatives, as required to carry out their oversight responsibilities on behalf of the City, and/or to the Mayor to take action on the City's behalf from time-to-time.

2. The Board of Aldermen would review and approve execution of the Coalition's Cost Sharing Agreement for Members, along with the Energy Portfolio Risk Management, Rates, and Financial Reserves policies approved by the Coalition's Board of Directors.
3. The Coalition would provide the services and credit support necessary to launch and operate Nashua Community Power (along with the programs of other municipalities across the state) and would provide all-requirements electricity to customers participating in the programs. Power procurement and energy portfolio risk management, ratesetting, and the accrual of financial reserves for the program would be carried out in accordance with the Coalition's Energy Portfolio Risk Management, Rates, and Financial Reserves policies. The Coalition would collect revenues from program customers on the City's behalf and would recover expenses incurred on behalf of Nashua Community Power in accordance with the City's Cost Sharing Agreement.
4. Governance of the power agency would be carried out pursuant to the Coalition's Joint Powers Agreement. The Board of Directors and committees of Member Representatives — the Executive Committee, Finance Committee, Risk Management Committee, Member Operations and Engagement Committee, Regulatory and Legislative Affairs Committee, etc. — would continue to meet regularly and carry out their responsibilities to provide oversight and direction, supported by a qualified CEO and staff experts hired to provide day-to-day oversight and management the agency's service providers, operations, planning, and program

development activities.

Regardless of which option the Board of Aldermen chooses to implement Nashua Community Power, four things will remain constant:

1. If it is determined before the program is launched that Nashua Community Power will be unable to offer default electric rates that are initially lower than or competitive with the fixed energy service charge rates offered by Eversource for residential customers (on rate schedule R), then implementation of the program will not move forward. The program will not launch unless and until those conditions change.
2. Customer participation in Nashua Community Power will be completely voluntary. After the electricity rates to be offered under the program are established, customers will be notified and may choose to opt-out of the program. After program launch, customers on default service provided by the program may choose to opt-out without penalty.
3. Eversource will continue to deliver electricity to customers, own and operate the distribution system (poles, wires, transformers, substations, etc.) and in most cases, provide account and billing services to customers participating in the program.
4. All costs associated with operating the program will be incorporated into rates paid by Nashua Community Power customers and will not be passed on to customers who chose to opt-out of participating in the program.

PROGRAM GOALS, OBJECTIVES, AND NEAR-TERM REQUIREMENTS

The City of Nashua has already set several larger resilience and sustainability goals and has undertaken many actions and initiatives to advance these goals. In 2017, Nashua's Environment and Energy Committee, EEC, was formed after Mayor Jim Donchess pledged allegiance to the Mayor National Climate Action Agenda, in which he and 273 other mayors across the country agreed to uphold the values and goals of the Paris Climate Agreement.

The EEC set sustainability-focused recommendations, including goals to cut municipal greenhouse gas emissions by 25 percent by 2025 and to power municipal buildings with 100 percent clean energy sources by 2025. Since then, the City has invested in solar panels on its fire and transit facilities totaling 230 kW of solar generation capacity, and the City's two hydroelectric facilities produced 20,297 MWh of power in 2019. The city used 260,000 kWh of electricity in 2020 that was generated from solar power.

In 2021, the City's Imagine Nashua Master Plan was developed over a nine-month extensive engagement process, under which 538 ideas were shared through an interactive project website and refined over the course of over forty focus group meetings and more than a dozen official public meetings. The resulting framework presented pathways for the City in terms of draft goals, actions, and recommendations, and was put forward to guide citywide policies and initiatives:

- **Goals** are the high-level outcomes the City hopes to achieve in the coming decades.
- **Actions** are the major steps that the master plan suggests taking to realize goals.
- **Recommendations** are smaller and more concrete steps that can help achieve an action, distinguishing between those that are actionable in the near- or medium-term.

Policy Goals for Nashua Community Power

The Imagine Nashua Master Plan recommends implementing a Community Power program for the purposes of supporting community held renewables and decarbonizing the electricity portfolio, under the following framework:

- **Goal:** advance carbon-free transportation and building design to reduce greenhouse gas emissions.
- **Action:** achieve citywide carbon neutral electricity by 2050.
- **Recommendation (near-term):** implement a community power program with the goal of investing in community held renewables and bring the entire city electric portfolio to 100% renewable by 2050.

Depending on how Nashua Community Power is implemented, and how it evolves over time, the program could also help advance a variety of additional recommendations under the Master Plan, all of which are related to achieving citywide carbon neutral electricity by 2050.

The achievements of the industry are promising in this regard, particularly municipalities in California, where sixteen Joint Powers Agencies have been created by over 200 city and county governments for the purpose of operating Community Power programs. Crucially, many of them operate under similar goals as set for Nashua Community Power, focusing on advancing local renewables and decarbonization of the community in addition to the wholesale energy supply. These new community power agencies have almost all been able to maintain competitive rates,

while offering lower carbon supply options to customers, accruing financial reserves sufficient to ensure their long-term financial stability, and working continuously on a variety of local policy goals. Guided by the policy goals of the local governments involved, the agencies have accomplished a wide range of initiatives at the local, regional, and statewide levels including:

- Encompassing policy reforms
- Decarbonization plans/ climate disaster preparedness and response programs.
- Changes to zoning/land use/ building codes to support decarbonization.
- Transportation electrification/ local renewable project opportunities.
- Workforce and Economic development programs.

New rates and product options for customers including:

- Support low-to-moderate income residents.
- Attracting and retaining businesses through more affordable and carbon free power options.
- Electric vehicle charging corridors and all-electric bus fleets (and a new local factory built to produce the buses).
- Renewable microgrids on critical community facilities.
- Home and business battery storage systems for energy resilience.
- Funding for energy related initiatives proposed by local nonprofits, schools, and innovative startups (usually through periodic solicitations, or competitions such as “hackathons”) — and other programmatic innovations.

In addition to the wide range of local programs, customer options, economic stimuli, and regional initiatives, the agencies in California have also collectively contracted for the construction of nearly 10,000 megawatts of new solar, wind, geothermal, battery storage, and biogas projects under long-term power purchase agreements — including, in one example, by working with their utility to encourage battery storage facilities (which dramatically lowered pollution in a nearby low-to-moderate-income neighborhood, and cost-effectively avoided the need to upgrade a local transmission line).

The Imagine Nashua Master Plan calls for a similar range of initiatives to be advanced through City policy over the near- to medium-term. Listed below are the Master Plan actions and recommendations that Nashua Community Power could additionally support achieving over time, organized into four broad categories:

1. Local Program and Customer Offers

Nashua Community Power could enable the Master Plan actions and recommendations below by creating new customer rates, product options, and program offerings designed in collaboration with the relevant City departments, customer groups, and community stakeholders involved:

- Add solar or buy green energy for every city owned structure with charging stations.
- Assess the feasibility of electrifying the school bus fleet.
- Increase number of City-owned electric vehicles.
- Phase out primary fossil fuel systems for heating and appliances and encourage the retrofit of full electrification of primary sources for existing buildings.

- Encourage all buildings to adopt energy efficiency upgrades compatible with historic fabric.
- Continue to support expansion and retention of employers in emerging 21st century industries including research and development-based employers, life sciences, advanced manufacturing, and other similar technology sectors.
- Encourage growth in emerging innovation based economic sectors centered around medical devices, robotics, biosciences, and similar industry sectors.
- Use City policy to promote businesses that adopt sustainable practices.
- *Have 25% of buildings in Nashua be solar-powered by 2050.*

2. Equity, Economic Retention & Development, and Workforce Development

Nashua Community Power could enable the Master Plan actions and recommendations below by structuring, and potentially funding, workforce development needs associated with cost-effective local programs, by providing for competitive solicitations and grants for energy initiatives proposed by local startups and nonprofits, and — through a variety of programmatic activities and policy interventions — by broadly supporting the development of the local marketplace for energy efficiency, demand response, battery storage, distributed energy, and electric vehicles in the City:

- *Encourage and facilitate the assessment of training needs of local workforce especially low- and moderate-income residents to access jobs in emerging target industries and use needs assessment to inform creation of new and specialized training programs.*
- *Encourage and facilitate partnership with local and regional institutions, non-profits, and employers, to foster innovation industry development, and a workforce pipeline accessible to all Nashua residents.*
- *Encourage and facilitate partnerships with public and private sector to provide mentorship to upcoming and underrepresented entrepreneurs in the city and help them with access to city resources.*
- *Encourage and facilitate youth line of sight into job options through information campaigns, exposure events, and internship opportunities when appropriate.*

3. Policy Intervention and Public Advocacy

Nashua Community Power could enable the Master Plan actions and recommendations below by supporting policy engagement at the state level, working in collaboration with other Community Power programs and municipalities that share and would advocate for the City's objectives:

- *Advocate for state policy change to allow the City to reduce or eliminate taxes on electric vehicle infrastructure on residential properties.*
- *Advocate to transition for the electrification of regional rail.*
- *Support any future federal or state carbon tax or cap and trade programs that are implemented, at the level of the Mayor or Board of Aldermen.*

4. Climate & Resiliency Planning, Transportation Electrification, Building Codes, Zoning & Land Use

Nashua Community Power could enable the Master Plan actions and recommendations below by providing technical advice, access to energy data, and analytical design support — including by forecasting the future energy usage impacts of these initiatives for incorporation into long-term planning to maximize value during the design process (and subsequently minimize energy procurement costs):

- *Refine and Implement a robust climate action and resilience plan for Nashua.*
- *Adapt City infrastructure to prepare for climate change*
- *Support future development in priority development areas identified in the Master Plan Process by ensuring reliability and capacity in key physical/social infrastructure such as workforce training, water, sewer, electrical, and broadband.*
- *Ensure that transportation policy decisions, strategies, and investments are coordinated with land use goals and support the desired urban environment.*
- *Develop metrics/guidelines that can be used to assess the resilience of existing transportation infrastructure and inform the planning of investments in transportation infrastructure.*
- *Ensure that new development is EV-ready and consider right-to-charge ordinance for multifamily housing (and private ownership communities).*
- *Leverage land use regulations and zoning policy to reduce the climate impact of new development: create design- and performance-based guidelines to address environmental impacts of new development following green building standards.*
- *Revise land use code to explore requiring renewable energy facilities such as solar installations and energy storage for new multifamily residential construction.*
- *Explore requiring eco-roofs for all new development. Solar, solar thermal, green roofs, white/cool roofs, and blue roofs all qualify.*
- *Adopt incentives to encourage LEED and green building standards as part of land use code.*
- *Push existing zoning that encourages the use of solar, wind, and renewable energy systems to incentivize all new construction to require renewables.*
- *Adopt zoning to incentivize preservation and adaptive reuse to reduce greenhouse gas emissions from new building materials.*
- *Create a passive house standard for the City: Passive house minimizes heating and cooling loads through high levels of insulation, high-performance windows, minimized thermal bridging, and right-sized HVAC systems.*
- *Establish requirements for new multi-family construction to include electric vehicle charging infrastructure, eco-roofs, and bike-ped amenities.*

Intermediate Objectives for Nashua Community Power

To achieve the City's policy goals, which are subject to definition and modification by the Board of Aldermen over time, Nashua Community Power will be guided by the following broad objectives:

- **Competitive Rates & Expanded Choices:** Nashua Community Power will only launch if it is able to initially offer residential default rates that are lower than or competitive with those offered by Eversource, and will additionally offer optional products, such as supply options with higher and lower levels of renewable energy and time-varying rates that enable the intelligent use of customer energy technologies;
- **Fiscal Stability & Financial Reserves:** procurement and ratesetting for Nashua Community Power will be carried out in accordance with Energy Portfolio Risk Management, Rates, and Financial Reserves policies and a portion of revenues will be deposited 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 Nashua’s longer-term policy goals (such as the development of local energy resources and programs);

- **Consumer Protections & Public Advocacy:** Nashua Community Power will ensure that the contracts entered into on behalf of customers are fair, and represent the interests of Nashua and the program’s customers at the Legislature and utility regulatory commission on matters pertaining to Community Power, ratepayer protection and the creation of a more competitive, efficient and clean energy market for New Hampshire;
- **Enhanced Customer Focus:** Nashua Community Power will enable customers to adopt new clean energy technologies that reduce energy expenditures and carbon emissions from the customer’s “full bill” perspective, by reducing household and business fuel expenses through electrification of heating appliances and vehicles, offering time varying rate structures that incentivize self-generating, dispatching onsite storage or shifting power consumption during when electricity market prices are high, lowering customers’ utility transmission and distribution charges by reducing onsite demand in peak hours, and other strategies;
- **Cleaner, Local Power:** Nashua Community Power will prioritize the development of cost-effective projects to supply an affordable energy portfolio that prioritizes the use of local and in-state renewable energy and battery storage projects;
- **Community Resilience:** Nashua Community Power will support local contractor training and education programs to lower barriers to the installation of new clean energy technologies, and support projects such as back-up power supplies, electric vehicle charging networks and community microgrids on critical facilities;
- **Regional Collaborations:** Nashua Community Power will collaborate with municipalities, other Community Power programs and government agencies to jointly develop cost-effective local renewable generation and storage projects, electric vehicle transit fleets and charging corridors, and other clean energy infrastructure developments;
- **Grid Modernization:** Nashua Community Power will join with other Community Power programs to advocate for policies, regulations, and infrastructure investments — such as the widespread deployment of interval meters and other Smart Grid infrastructure technologies — necessary to enable innovative customer services and the intelligent use of new clean technologies, cost-effective integration of local and regional renewable generation and the reliable operation of customer and community owned microgrids and utility’s distribution grid.

Near-Term Launch and Operational Requirements for Nashua Community Power

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

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

Competitiveness with Utility Default Service & Net Energy Metering Generation Rates

If it is determined before the program is launched that Nashua Community Power will be unable to offer default electric rates that are initially lower than or competitive with the fixed energy service

charge rates offered by Eversource for residential customers (on rate schedule R), then implementation of the program will not move forward. The program will not launch unless and until those conditions change.

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

Refer to [Attachment 3](#), [Attachment 4](#), [Attachment 5](#) and the section “[Net Metering and Group Net Metering Policies](#)” for additional documentation and discussion of these factors.

Customer Rates and Products

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

	DEFAULT SERVICE (automatic enrollment)	OPTIONAL PRODUCTS		
		Basic Service	Green Start	Prime
Attributes	5-10% above Renewable Portfolio Standard (RPS)	Meets RPS	~50% Renewable	100% Renewable
Price	Meet or beat default utility rate at launch	Below default utility rates	Higher or competitive w/ default utility rate	Exceeds default utility rate

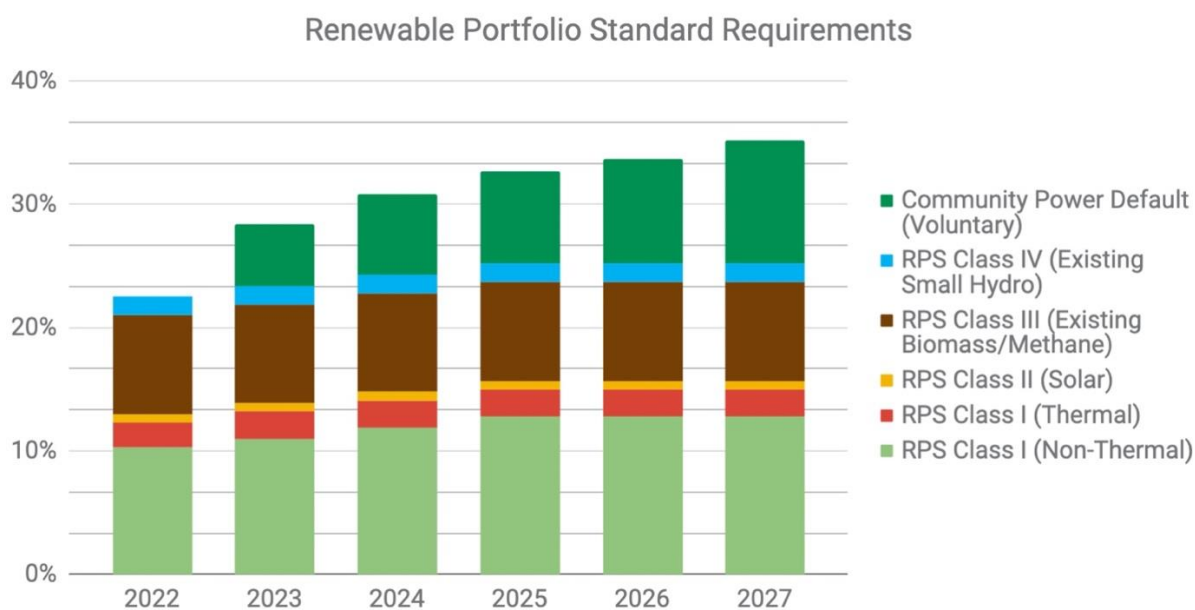
The products that Nashua Community Power initially offers to customers, and the rates charged for each product, will be refined and finalized in advance of program launch.

Renewable Portfolio Standard Requirements

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

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

Nashua Community Power may seek to procure voluntary renewables in excess of the RPS minimum requirements from “Class I” resources (as defined in [Attachment 3](#)). Additionally, the program may prioritize including renewable energy sourced from generating resources located in New Hampshire and New England. The chart below shows the different classes and quantities of renewable power required under the RPS between 2022 and 2027, along with Nashua Community Power’s potential voluntary purchases (assuming that the default product from the table in the proceeding section, which exceeds RPS requirements each year by 5% to 10%):



Compliance with Energy Portfolio Risk Management, Rates, and Financial Reserves Policies

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

Nashua Community Power’s power procurement, budgeting and rate-setting will be carried out in accordance with the Energy Portfolio Risk Management, Rates, and Financial Reserves policies that will be approved by the Board of Aldermen. This decision-making framework is intended to guide the program to allocate revenues in a manner that appropriately balances our competing priorities, thereby ensuring that Nashua Community Power will remain operationally stable, and able to work towards achieving all of the City’s policy goals over time.

ELECTRIC AGGREGATION PLAN STATUTORY REQUIREMENTS

The following requirements for this Electric Aggregation Plan, in compliance with RSA 53-E:6, are addressed below:

- A. Organizational structure of the program.
- B. Methods of entering into and terminating agreements.
- C. Operation and funding.
- D. Rate setting, costs, and customer enrollment process.
- E. Rights and responsibilities of program participants.
- F. Net metering and group net metering policies.
- G. Ensuring discounts for Electric Assistance Program participants.
- H. Termination of program.

Organizational Structure of the Program

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

The Board of Aldermen will oversee the program and has overall governance authority. Decisions regarding Nashua Community Power, such as updating program goals, and approval of Energy Portfolio Risk Management, Rates, and Financial Reserves policies, will be made at duly noticed public meetings and with advisory support from the Electric Aggregation Committee.

Nashua may participate fully in the Coalition, and thereby contract for operational services and electricity supply jointly with other participating Community Power programs, or alternatively may independently contract for the services and electricity required to implement and operate Nashua Community Power. These two options present different organizational structures for the program, as provided for in section “Implementation Pathways for Nashua Community Power” above.

The Board of Aldermen may also direct the Electric Aggregation Committee to continue to hold meetings, and /or provide alternative means of providing for community input and advisory support regarding the program.

Methods of Entering into and Terminating Agreements

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

Operation and Funding

Nashua 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.

Nashua may participate fully in the Coalition, and thereby contract for operational services and electricity supply jointly with other participating Community Power programs, or alternatively may independently contract for the services and electricity required to implement and operate Nashua Community Power.

In either case, third-party contractors will be expected to fund the upfront cost of implementing the program, the expense of which will be amortized in service fees and recovered in the program's rates and charges to participating customers. The program may also seek opportunities to apply for grant funding, either independently or through the Coalition.

Services provided by third-party entities required to launch and operate the program may include portfolio risk management advisory services, wholesale Load Serving Entity (LSE) services, financial services, electronic data interchange (EDI) services with the utility, and customer notification, data management, billing, and relationship management (e.g., call center, website, etc.) services. Additional information on how Nashua Community Power will implement Load Serving Entity (LSE) services is found in [Attachment 7](#), *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.

Nashua Community Power will provide "all-requirements" electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services (to the extent not provided through Eversource), transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard. (Refer to [Attachment 3](#) for details regarding the requirements of Renewable Portfolio Standard statute, RSA 362-F.)

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

Additionally, RSA 53-E provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Nashua Community Power with the practical ability to help customers adopt and use innovative technologies (for example, building management systems, smart thermostats, backup battery storage systems, controllable electric vehicle chargers, etc.) in ways that save money, enhance grid resiliency, and decarbonize our power supply.

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

Rate Setting, Costs, Enrollment Process, and Options

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

Rate Setting and Costs

If it is determined before the program is launched that Nashua Community Power will be unable to offer default electric rates that are initially lower than or competitive with the fixed energy service charge rates offered by Eversource for residential customers (on rate schedule R), then implementation of the program will not move forward. The program will not launch unless and until those conditions change.

Thereafter, the program will strive to maintain competitive rates for all default service customers on an overall annual basis, as well as customers who opt-in or opt-up to receive optional retail products, while working to achieve the program's goals (as set forth in this Electric Aggregation Plan and modified from time to time at the direction of the Board of Aldermen).

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, in accordance with the Energy Portfolio Risk Management, Rates, and Financial Reserves policies that will govern the program's power procurement and rate-setting decisions.

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

- **In the near-term**, maintain competitive customer rates in the context of price fluctuations in the electricity market and other factors;
- **In the medium term**, as collateral for power purchase agreements (including for the development of new renewable and battery storage projects), and for additional credit enhancements and purposes that lower the program's cost of service; and
- **Over the long term**, may also be used to directly fund other program financial requirements, or to augment the financing for development of new projects and programs in the later years of the program, subject to the Board of Aldermen's approval.

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

In other words, customers will be treated the same based on their circumstances. For example, any customers that opt-in after being offered the opportunity to participate during the initial enrollment period may be offered rates that reflect how market prices have changed in the intervening period.

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

Enrollment Process and Options

Nashua Community Power intends to launch on an opt-out basis, providing an alternative default service to the utility provided default service rate. After approval of this Electric Aggregation Plan

and before the launch of Nashua Community Power, all customers in the City will be sent notifications regarding the program and offered the opportunity to participate:

- **Customers currently on default service provided by Eversource** will be sent “opt-out” notifications — describing the program, its implications for the City, the rights and responsibilities of customers, and program rates and charges — with instructions on how to decline participation, and thereafter be transferred to Nashua 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 City’s Community Power website. A public information meeting will be held within 15 days of the notification to answer program questions or provide clarification.

Optional products, such as increased renewable power content in excess of the Renewable Portfolio Standard (RPS) requirements and other energy services, including time varying rates, may be offered on an opt-in basis.

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

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

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

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

Rights and Responsibilities of Program Participants

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

Customers will be able to ask questions of and register complaints with the City and/or its designated service provider(s), Eversource, and the Public Utilities Commission.

Nashua Community Power shall maintain the confidentiality of individual customer data in compliance with its obligations as a service provider under [RSA 363:38](#) (privacy policies for individual customer data; duties and responsibilities of service providers) and other applicable statutes and Public Utilities Commission rules. Individual customer data includes information that singly or in combination can identify that specific customer including the individual customers’ name, service address, billing address, telephone number, account number, payment information, and electricity consumption data. Such individual customer data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors

for Nashua Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b). [Attachment 8, Customer Data Protection Plan](#), details the reasonable security procedures and practices that the City and Nashua 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 Nashua 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 Nashua Community Power back to Eversource (the regulated distribution utility and provider of last resort) for default energy service, payment collections and utility shut offs under procedures subject to oversight by the Public Utilities Commission.

Net Metering and Group Net Metering Policies

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage. Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

Currently, customer-generators are charged their full retail rate for electricity supplied by Eversource and receive credits for electricity they export to the grid based on Eversource' Net Energy Metering (NEM) tariffs. Nashua Community Power intends to provide new rates and terms that compensate participating customer-generators for the electricity supply component of their net metered surplus generation. Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from Eversource, as specified under the terms of their applicable net energy metering tariff.

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

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

Certain aspects of administering net energy metering require coordination between Eversource and Nashua Community Power. The enabling services and strategies that Nashua Community Power may pursue, to benefit and encourage customers to adopt distributed generation, include but are not limited to:

- Dual-billing customer-generators separately for supply services;
- Offering time-varying rates and 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](#) provides an overview of Eversource’s net energy metering tariffs in use today, including the “standard” and “alternative” tariffs for individual customer-generators as well as Group Net Metering and Low-Moderate Income Solar Project options, and tables showing the number of customer-generators on net metered service in each utility territory;
- [Attachment 6](#) provides an in-depth discussion regarding operational and strategic opportunities to enhance net metering and group net metering through Nashua 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. Nashua Community Power will support income eligible customers who enroll in the Electric Assistance Program to receive their discount. Electric Assistance Program discounts are funded by all ratepayers as part of the System Benefits Charge, which is charged to all customers and collected by the distribution utilities.

At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer’s electricity supply charges are billed through the distribution utility. Nashua Community Power consequently plans to rely on Eversource to bill all customer accounts enrolled in the Electric Assistance Program. This represents no change in the provision or funding of this program. This arrangement may be revisited if, at some point in future, the Public Utilities Commission enables Community Power programs to provide Electric Assistance Program customers with their discount directly.

Termination of the Program

There is no planned termination date for Nashua Community Power.

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

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

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