

## **Attachment 1: The Community Power Coalition of New Hampshire**

Warner is a founding member of the Community Power Coalition of New Hampshire (“CPCNH” or “the Coalition”), a nonprofit joint powers agency authorized under RSA 53-A and governed by participating communities under the terms of the Joint Powers Agreement unanimously approved by Warner Select Board on July 20, 2021.<sup>1</sup>

The Coalition is an all-requirements Joint Powers Agency incorporated as a government instrumentality and non-profit on October 1st, 2021, to provide for the launch and operation of Community Power Aggregation (CPA) programs on behalf of our Members throughout the state. CPCNH intends to launch power supply services in April to May 2023.

CPCNH’s participating local governments Members will share the administrative and general costs of CPCNH on a pro-rata basis, and to elect to share costs, on an individual basis, for operational services, pooled power purchases, and energy project development contracts. CPCNH also engages at the Legislature and Public Utilities Commission on behalf of its members on matters related to energy and Community Power.

CPCNH intends to benefit its Member communities by providing for the delivery of cleaner and more locally produced electricity, innovative retail distributed energy and demand flexibility programs, policy engagement and public advocacy, competitive rates for residents, businesses, and municipal facility customers, and economic investment through the development of local programs, projects, and energy infrastructure.

Most, if not all, members anticipate relying on CPCNH as an energy services provider, for the provision of all-requirements electricity and retail customer services on behalf of their CPA programs, which will operate across all four distribution company service territories in the state: Eversource, Unitil, Liberty Utilities and the New Hampshire Electric Co-Op.

CPCNH is locally controlled, governed by Board of appointed community representatives, and will be funded through customer revenues, with no taxpayer subsidies. By law, each member’s CPA program is funded through program revenues; CPCNH’s budget is completely separate from the general funds of participating local governments.

CPCNH’s Board and committees have held more than 100 meetings since incorporation in October 2021. Meetings are subject to New Hampshire’s Right to Know Law and open to the public.

### **Governance Structure**

CPCNH is governed in accordance with our [Joint Powers Agreement](#), and overseen by a Board of Directors composed of the representatives appointed by participating local governments.

Going forward, the Board will be elected by vote of at the Annual Meeting of the Members, which is held every April, and will be composed of between eleven and twenty-one Directors elected from amongst the member representatives.

At present, the Board of Directors is currently composed of 49 representatives (elected officials, municipal staff and volunteers serving on local energy committees) appointed by each of our local government Members to serve as either a Director or Alternate Director (each member has only one vote):

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<sup>1</sup> <https://warner.nh.us/tow/meetings/minutes/selectmen/sel-20210720.pdf>

## CPCNH Board of Directors

Member	Officer	Director	Alternate
City of Lebanon	Chair	Clifton Below	Greg Ames
City of Dover	Vice Chair	Christopher Parker	Jackson Kaspari
Town of Enfield	Treasurer	Kimberly Quirk	Jo-Ellen Courtney
Town of Plainfield	Secretary	Evan Oxenham	Steve Ladd
Cheshire County		Terry Clark	Chris Coates
City of Nashua		Doria Brown	Deb Chisholm
City of Portsmouth		Kevin Charette	Peter Rice
Town of Canterbury		Kent Russwick	Howard Moffett
Town of Durham		Mandy Merrill	Nat Balch
Town of Exeter		Nick Devonshire	Julie Gilman
Town of Hancock		Jim Callihan	Robbie Hertneky
Town of Hanover		April Salas	Peter Kulbacki
Town of Harrisville		Andrea Hodson	Andrew Maneval
Town of Hudson		Craig Putnam	Kate Messner
Town of New London		Jamie Hess	Tim Paradis
Town of Newmarket		Toni Weinstein	Steve Fournier
Town of Pembroke		Matthew Miller	Jackie Wengenroth
Town of Peterborough		Steve Walker	Danica Melone
Town of Rye		Lisa Sweet	Howard Kalet
Town of Sugar Hill		Jordan Applewhite	Margo Connors
Town of Walpole		Paul Looney	Dennis Marcom
Town of Warner		Clyde Carson	George Packard
Town of Webster		Martin Bender	David Hemenway
Town of Westmoreland		Mark Terry	John Snowdon
Town of Wilmot		William Chasson	

CPCNH also conducts its business through the committees, each of which is composed of Member representatives drawn from across the state:

1. **Executive Committee:** bi-weekly and as-needed meetings of CPCNH's Chair, immediate past-chair, Vice Chair, Treasurer, and Secretary. Authorized to act on behalf of the Board, on most matters, in instances where decisions may not wait until the next meeting of the Board.
2. **Finance Committee:** bi-weekly and as-needed meetings of 3 members. Responsible for advising the Treasurer and the Board as to the investments, budget, and general fiscal policy of CPCNH.
3. **Member Operations & Engagement Committee:** bi-weekly and as-needed meetings of 8 members representing Dover, Durham, Hanover, Pembroke, Rye and Walpole, with additional advisors based in Peterborough and Hanover. Responsible for (1) assisting Members' Electric Aggregation Committees through the Electric Aggregation Plan drafting and local approval process, and (2) recruiting new CPCNH Members by engaging with interested communities
4. **Risk Management Committee:** bi-weekly and as-needed meetings of 8 members. Responsible for overseeing CPCNH's competitive solicitation for services and credit support, for overseeing energy

portfolio risk management procurement decisions, and for understanding and advising upon enterprise risk factors and mitigating strategies more broadly.

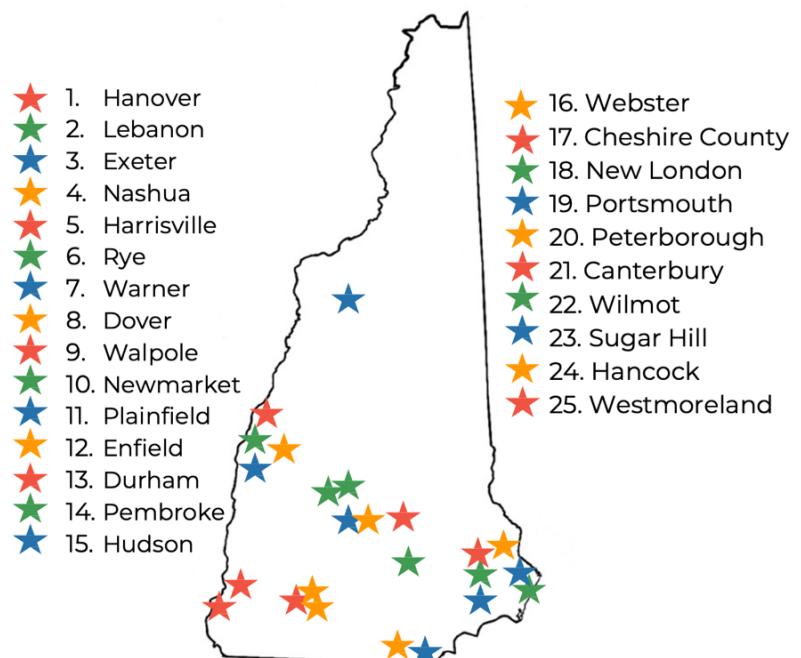
5. **Regulatory and Legislative Affairs Committee:** as-needed meetings of 4 members, Responsible for monitoring and advising CPCNH and its Members regarding regulatory and legislative engagement, and for appointing representatives of the Corporation to serve on statutory commissions, study commissions, and other boards and commissions created by the state legislature.
6. **CEO and Staff Search Committee:** as-needed meetings of 4 members. Responsible for developing a solicitation and hiring process for Board review and approval in preparation for hiring a CEO and key staff.
7. Additionally, prior to the launch of CPA programs, the Board will create an **Audit Committee** and **Governance Committee**, as required standing committees per our Joint Powers Agreement.

## Member Service Territory

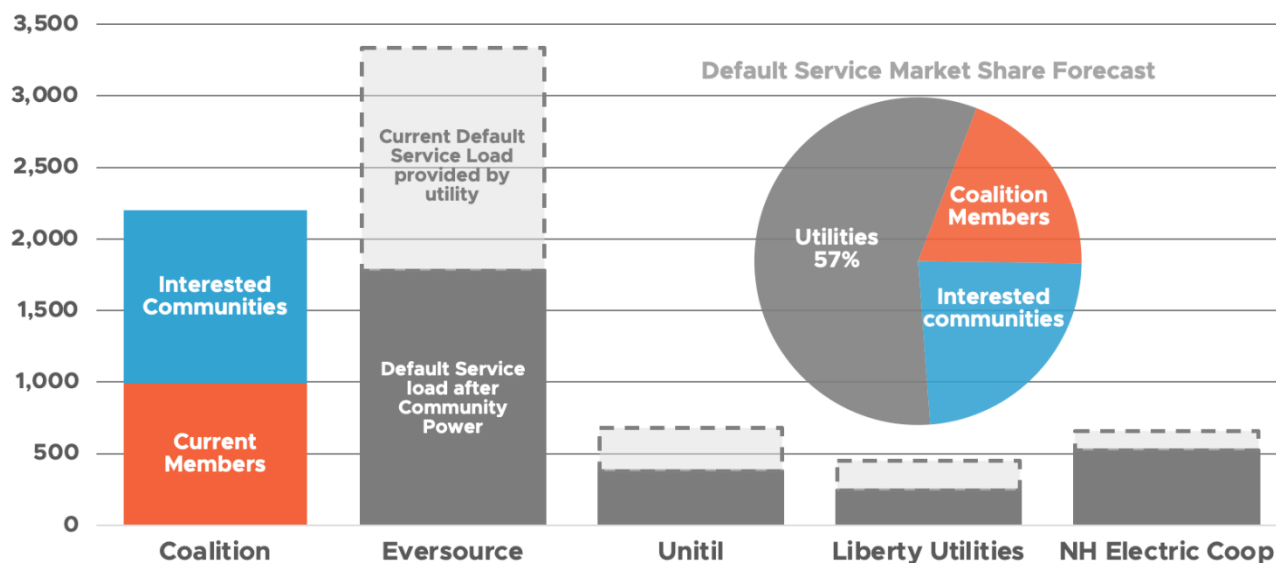
CPCNH's twenty-five current municipal members, which represent approximately 20% of New Hampshire's population, intend to launch CPA programs in the next one to two years.

- The first wave of CPA programs is slated to launch between April and May of 2023, with service expansion to all current member territories thereafter (likely Q2 2024).
- At this point, CPCNH may serve ~110,000 customer accounts, provide ~900,000 MWh of electricity, and produce revenues of up to ~\$365 million per year (assuming full Member participation and retail pricing based on default utility rates in the current year).
- Over 30 additional local governments have expressed interest in joining CPCNH, which would increase representation to ~50% of New Hampshire's population.
- CPCNH subsequently expects relatively robust member recruitment, and the launch of dozens of new CPA programs in next two to three years.

Consequently, as shown in the graph on the next page, CPCNH is positioned to become the largest default supplier of electricity in New Hampshire:



## Default Supply Service by Utility vs. Coalition (forecasted gigawatt-hours of electricity purchases)



## Organizational Capacity

The Coalition's [Board, committees, and executive team](#) bring a great breadth and depth of experience to the organization with professional backgrounds that support CPCNH's mission.

CPCNH is also supported by outside General Counsel ([Michael Postar](#) of [DWGP, P.C.](#) with NH advice from [Eli Emerson of Primer Piper, P.C.](#)) and two professional consultants ([Henry Herndon](#), of Herndon Enterprises, for member services, and [Samuel Golding](#) of Community Choice Partners, for technical advice and support).

Most recently, CPCNH has concluded a [competitive solicitation for services and credit support](#) and is now negotiating contracts for \$750,000 in startup funding, \$9.5 million in credit support, and ~\$8 million to ~\$9 million in professional services to operate the power agency and expand CPCNH's membership over the next three years:

1. [Ascend Analytics](#): for Load Serving Entity (LSE), energy portfolio risk management and procurement services, credit support (three lines of credit providing \$6 million for LSE and wholesale requirements, \$2.5 million for Ascend's invoices, and \$1 million for non-Arcend third-party invoices), and overall implementation management and oversight (CPCNH's critical path analysis is [online here](#); refer to pp. 37-54).
2. [Calpine Energy Solutions](#), for \$750,000 in startup funding and retail customer services: utility electronic data interchange (EDI), retail data management, and call center operations.
3. [River City Bank](#), for secure revenue "lockbox" account administration and various commercial banking services.
4. [Clean Energy New Hampshire](#) for member and community relations, media strategy and engagement, and related administrative services.

CPCNH's committee award reports and winning response materials are [online here](#). CPCNH has also issued an RFP for Executive Search Services, to support hiring a CEO, and anticipates contracting for accounting service, to implement an accounting system and controls for CPCNH.

## Staffing Strategy

CPCNH currently has no staff and recently issued an [RFP for an Executive Search Firm](#) to expedite hiring a CEO between November 2022 and February 2023. The Board will support the CEO in filling key functional roles with highly qualified staff in managerial positions to provide oversight and initiative that guide's the evolution of the agency.

Expediting the CEO's hiring process for remaining staff positions is a strategic priority for CPCNH in the period leading up to the launch of Member CPA programs, likely after initial customer notifications have been sent in March 2023.

CPCNH anticipates that the CEO will recommend prioritizing staff capacity in the follow areas of expertise:

- Financial Management: Treasury support, budgeting, cash flow analysis, rate setting, financial controls and compliance, and reserve management.
- Retail Services: retail customer products and services, key account management and retention, and local programs.
- Energy Portfolio Management: contract valuation, procurement, power purchase agreements, portfolio strategy, and energy risk management analytics and reporting.
- Information Technology: enterprise data management and analytics.
- Regulatory and Legislative Affairs: engagement with the Legislature, NH Department of Energy, Office of the Public Advocate, Public Utility Commission, distribution utilities, and other stakeholders on energy policy and market issues impacting CPAs.

## Regulatory and Legislative Engagement

CPCNH carries out public information campaigns and routinely engages at the Legislature and Public Utilities Commission, often alongside the NH Office of Consumer Advocate, to advance consumer interests and protect and expand the authorities of our Members. [Board Chair Clifton Below](#), Assistant Mayor of the City of Lebanon, often leads the agency's regulatory and legislative engagement activities. Recent initiatives include:

- Authoring the Community Power Aggregation Act, [Senate Bill 286](#) (2019).
- Leading the informal rule drafting process for CPA administrative rules at the Public Utilities Commission by providing initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and helping to lead stakeholder workshops at the request of Commission staff.
- Negotiating amendments to [House Bill 315](#) (2021), which would have substantially changed and weakened CPA authorities as-introduced, to instead clarify and expand key CPA authorities — including by authorizing a Purchase of Receivables program. (Refer to CPCNH.)
- Authoring CPCNH to commence the CPA administrative rulemaking process, which was endorsed by a coalition of public stakeholders — including the NH Office of the Consumer Advocate — and adopted by the Commission as their initial and final proposed rules ([docket DRM 21-135](#)).
- Intervening to advocate for the creation of a Statewide Data Platform to enable Green Button access

to electricity and natural gas retail customer data, and to negotiate a settlement — recently adopted by the Commission — under which the platform would be governed by a Governance Council of representatives that includes Chair Below on behalf of CPAs and municipalities across the state ([docket DE 19-197](#)).

- Advancing legislation, through multiple legislative sessions, that would properly credit CPAs sourcing power from DER under 5 MW for avoiding not only energy charges, but also transmission and capacity charges ([SB 321](#), 2022).
- Engaging on CPCNH’s behalf in [Docket IR 22-053](#) regarding the evaluation of default utility procurement requirements and the potential impact due to CPAs, among other matters.

## Purpose, Mission, Values & Power Enterprise Objectives

CPCNH is guided by the requirements and processes provided for under our Joint Powers Agreement, the decisions of our Members and Board of Directors, and the considerations that operating a competitive power enterprise entails.

### *Purpose of CPCNH*

The overarching objective of CPCNH is provided for in the [Joint Powers Agreement](#):

*The purpose of CPCNH is to promote the common good and general welfare by supporting the economic vitality and prosperity of local communities by enabling municipalities and counties to support and jointly exercise authorities granted to them pursuant to NH RSA 33-B, NH RSA 53-E, NH RSA 53-F, and NH RSA 374-D, all in accordance with NH RSA 53-A; to assist member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing Electric Aggregation Plans and Programs known as Community Power Aggregations (“CPAs”); to provide supportive services and technical assistance to community power aggregations serving member towns, cities, counties, unincorporated places, and village districts; and to support and promote public education and civic engagement by the residents and businesses of member communities in developing and implementing energy and climate policies and actions and the role of CPAs in advancing such policies and actions for the common good.*

### *Mission and Values*

CPCNH’s Board of Directors has subsequently adopted the mission and values below:

*Our mission is to foster resilient New Hampshire communities by empowering them to realize their energy goals. CPCNH will create value for our Community Power member municipalities by jointly contracting for services, developing projects and programs together, educating and engaging the public, and advocating for communities and customers at the Legislature and Public Utilities Commission.*

- 1. In carrying out its activities, CPCNH is guided by the following values:*
- 2. Embody an inspiring vision for New Hampshire’s energy future.*
- 3. Support communities to reduce energy costs and pursue economic vitality by harnessing the power of competitive markets and innovation.*
- 4. Support communities to implement successful energy and climate policies and to promote the transition to a carbon neutral energy system.*
- 5. Balance the interests of member communities who are diverse in demographics, geography and their energy goals.*
- 6. Use our shared expertise, leadership and skills to educate, empower and build the capacities of our*

members.

7. *Help communities demystify the power sector to make informed decisions.*
8. *Facilitate collaboration and teamwork by championing diversity, equity and inclusion of people and communities of all kinds.*

### **Power Enterprise Objectives**

CPCNH's immediate objectives in implementing CPA supply service in April to May 2023 were summarized in the Coalition's prior solicitation for services and credit support:

*While many of the broader benefits that CPCNH intends to create will be developed over time, the agency's immediate objectives are to:*

1. *Procure a reliable supply of all-requirements electricity, inclusive of Renewable Portfolio Standard requirements, and satisfy all load-serving entity obligations on behalf of participating customers.*
2. *Launch with default supply rates that "meet or beat" utility default service rates and maintain competitive default supply rates thereafter.*
3. *Accrue reserve funds sufficient to ensure Members' long-term financial stability.*
4. *Offer 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.*
5. *Ensure individual customers have excellent customer service experience every time they interact with CPCNH regarding their electric service and all account transactions.*
6. *Guarantee that individual customer data is secure and protected against third party attacks, data breaches and inappropriate use.*

### **Coalition Energy Portfolio Risk Management, Rates, and Reserves Policies**

The Coalition's Members expect the agency to balance customer rate levels, renewable power content, and the accrual of program reserves on behalf of Member programs to meet their local policy objectives. The Board of Directors is incorporating these considerations and trade-offs regarding the prudent allocation of revenues into Energy Portfolio Risk Management, Rates, and Reserves policies, summarized as follows:

- **Energy Portfolio Risk Management Policy:** defines the risks associated with the procurement of the power supply, identifies those responsible for administering the various elements of the risk management policy (from procurement through daily operations and oversight), and sets policy parameters for managing, monitoring, and reporting on the risks associated with procuring and hedging the power supply portfolio. The policy will define the requirements and limits within which Members delegate their procurement authority to CPCNH.
- **Rates Policy:** ensures rates are set in a timely fashion to recover capital and operating costs of Member programs and that public notice and customer communication activities remain in compliance with statutory and Member Electricity Aggregation Plan requirements.
- **Financial Reserves Policy:** sets appropriate target levels (e.g., minimum and maximum contributions) to ensure CPCNH satisfies working capital requirements, procures energy at competitive rates, adheres to contractual covenants, covers unanticipated expenditures, supports rate stability, and progresses towards obtaining an investment grade credit rating. Member contributions to reserves will be tracked, and provided back to Members, pursuant to any contractual obligations, if and when

they choose to cease participating in the Coalition.

## Member Cost Sharing Agreement

The Coalition's Joint Powers Agreement provides certain requirements regarding how costs will be tracked and shared across participating Community Power programs, which must be formalized in a Cost Sharing Agreement executed with each Member before the Coalition may provide services for their Community Power program, as follows:

- Costs will be tracked in three distinct categories: direct project costs, member services, and general and administrative costs (which are overhead costs that are not associated with any specific project or member service).
- Member cost-sharing agreements will be the same in all material respects: general and administrative costs will be allocated based on each Community Power program's share of total electricity usage each year, while each member will choose and separately pay for the costs of specific services and projects (under terms that reflect a fair allocation across all the members that chose the same services and projects).
- The debts, liabilities and obligations of the Coalition, and of other participating Community Power programs, will be non-recourse to Member communities (unless expressly agreed to by the Member under their Cost Sharing Agreement or a Project Contract).



## Attachment 2: Warner Community Power Net Metering, Group Net Metering and Low-Moderate Income Solar Project Opportunities

Under the Net Energy Metering (NEM) 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.

The table below compares New Hampshire's two NEM tariff structures, which offer different credits to customers depending on the size of their installed system:

**Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid**

	<b>NEM 1.0</b> <i>"Standard NEM"</i> <i>Offered prior to 9/1/2017</i>	<b>NEM 2.0</b> <i>"Alternative NEM"</i> <i>Effective 9/1/2017</i>
<b>Large Systems</b> <i>100 Kilowatts to 1 Megawatt</i>	Full credit (at the customer's retail rate) for electricity supply <u>only</u>	
<b>Small Systems</b> <i>≤ 100 Kilowatts</i>	Full credit for electricity supply, distribution, transmission, System Benefits, Stranded Cost & Storm Recovery charges	Full credit for electricity supply and transmission; 25% credit for distribution & no credit for other charges

[RSA 362-A:9, II](#) grants Community Power programs broad statutory authority to offer customer-generators new supply rates and terms for the generation supply component of Net Energy Metering (NEM). The relevant statutory authority is quoted in full below:

*"Competitive electricity suppliers registered under RSA 374-F:7 and municipal or county aggregators under RSA 53-E determine the terms, conditions, and prices under which they agree to provide generation supply to and credit, as an offset to supply, or purchase the generation output exported to the distribution grid from eligible customer-generators. The commission may require appropriate disclosure of such terms, conditions, and prices or credits. Such output shall be accounted for as a reduction to the customer-generators' electricity supplier's wholesale load obligation for energy supply as a load service entity, net of any applicable line loss adjustments, as approved by the commission. Nothing in this paragraph shall be construed as limiting or otherwise interfering with the provisions or authority for municipal or county aggregators under RSA 53-E, including, but not limited to, the terms and conditions for net metering."*

Warner Community Power intends to offer a NEM generation rate and terms to customers with onsite renewable generation eligible for net metering from Eversource. Note that any non-supply related components of the Net Energy Metering tariff (e.g., credits for transmission and distribution) will continue to be provided to customer-generators directly by their utility.

How Warner Community Power calculates, accounts for and provides NEM credits to participating customer-generators for the different types of eligible system sizes, customer types and group configurations will have a number of important financial and practical implications for the program and customers in the Town.

Warner Community Power also anticipates encountering practical challenges of an operational nature in administering net metering and group net metering programs. This is partly because net energy metering continues to evolve in response to new policy and regulatory requirements, and the day-to-day processes that govern the coordination between the program, participating customers and Eversource are subject to refinement and change over time.

Warner Community Power will be one of the first default aggregation programs to launch in Eversource's service territory, and the process of transferring significant numbers of NEM customers may cause unanticipated issues due to the metering, billing and data management requirements of this subset of customers. Warner Community Power will maintain close coordination with Eversource to expeditiously resolve any such issues that may occur.

For example, Warner Community Power may decide to separately issue supply bills to customers that have installed systems after September 2017.

The advantage in dual-billing this subset of customers stems from what is essentially an accounting irregularity in how Eversource's billing system and PUC policies currently treat customer-generators taking service under the NEM 1.0 tariff, which applies to systems installed before September 2017, versus the NEM 2.0 tariff, which applies to all systems installed after that date. As context:

- The cumulative surplus generation exports of net metered customer-generators will decrease the amount of electricity that Warner Community Power will have to purchase from the regional power market to supply other customers in the program. The surplus generation from both NEM 1.0 and NEM 2.0 customer-generators will be tracked and netted out from the program's wholesale load obligations by Eversource for this purpose.
- However, for the purpose of netting out of the program's Renewable Portfolio Standard (RPS) compliance requirements, the surplus generation from NEM 1.0 customers is tracked and accounted for differently than it is for NEM 2.0 customers:
  - Surplus generation from NEM 1.0 customers is tracked as a kWh credit that is carried forward to offset the customer's future electricity supply requirements; these kWh credits will be counted as an offset that decreases the total electricity supplied by the program to retail customers in aggregate — which lowers the program's RPS compliance obligation.
  - Surplus generation from NEM 2.0 customers is tracked as a monetary credit that is carried forward to offset the customer's future electricity bills; even though the monetary credit is calculated each month based on every customer's kWh surplus generation, the monetary credit is treated as a re-sale or delivery of power generated by NEM 2.0 customer and provided to other participating customers through the program — it is not treated, in other words, as an offset that decreases the total electricity supplied by program to retail customers in aggregate — and therefore does not lower RPS compliance obligations in the same way.

The practical consequence of this accounting treatment is that Warner Community Power would have to purchase Renewable Energy Certificates for the amount of surplus generation supplied by NEM 2.0 customer-generators (but not NEM 1.0 customer-generators) in the same way as if the program had imported that amount of electricity from the regional wholesale market.

- Taking on the responsibility of billing this subset of NEM 2.0 customers directly may allow Warner Community Power to track and account for the impact of their surplus generation in ways that lower the program's RPS compliance obligations and costs. Specifically, the program could credit customers currently on the utility's NEM 2.0 tariff in the same way that NEM 1.0 customers are credited (i.e., using kWh credits to track surplus generation on the supply portion of the bill). Note that RSA 362-A:9,II explicitly grants Community Power programs the flexibility to offer net metered customers either:
  - A *"credit, as an offset to supply"* for their surplus generation, which is equivalent to the NEM 1.0 tariff accounting practices; or
  - To *"purchase the generation output exported"* which is equivalent to how the NEM 2.0 tariff tracks surplus generation.

Exercising the first option listed above, by offering NEM 2.0 customers a kWh credit tracked as an offset to supply, would allow Warner Community Power to harmonize the accounting treatment of NEM 1.0 and 2.0 surplus generation for the purpose of program RPS compliance reporting. This would help lower program rates and is an option that the program may therefore find cost-effective to implement.

Additionally, certain customer-generators currently receiving IRS Form 1099 taxable income from monetary credits under Eversource' NEM 2.0 tariff may benefit financially from receiving kWh credits for the supply portion of their monthly surplus generation instead.

While dual billing is typically avoided — as it is less convenient for most customers to receive a separate bill from their utility and supplier — customers with onsite generation systems tend to be highly informed on energy issues and respond positively to more active engagement with both their utility and supplier.

Consequently, dual billing may enhance customer satisfaction, awareness and ongoing participation in the program for customer-generators. Furthermore, dual billing could be done electronically, which is more convenient for the customer and will be less costly for the program than sending paper bills.

Furthermore, Warner Community Power may be able to create additional value for customer-generators through a combination of dual billing, assistance with metering upgrades and time-varying rate structures. For example:

- Many customer-generators with solar systems may benefit from local programs that help them reduce their full energy bill costs;
- Providing the customer with a separate supply-only bill would allow Warner Community Power to also offer a time-varying rate (which may not otherwise be available through Eversource' billing system);
- Upgrading to an interval meter (if the customer does not have one) and installing onsite battery storage, combined with a time-varying rate, may enable the customer-generator to further lower their overall bill by shifting their pattern of electricity usage at times of high-power prices and constrained generation and transmission capacity. This could also help to manage and lower the program's electricity supply costs in aggregate as well, and thus benefits all participating customers.

Similarly, Warner Community Power may be able to streamline the process and cost of installing REC production meters for customer-generators that don't already have one. By registering customer-generators and purchasing their RECs for their onsite power generation Warner Community Power could use them to satisfy part of the program's overall RPS compliance requirements. This would allow the program to source RECs locally and would provide an additional source of revenue for customer-generators in the Town.

Warner Community Power also intends to evaluate ways to enhance the value of the NEM credits that customers receive overall, from both the program and Eversource. For example, customer-generators may benefit by becoming hosts in Group Net Metering, including by establishing a Low-Moderate Income Solar Project group. The program may be able to streamline the process required to do so, which entails:

- Matching customers interested in becoming members with prospective group hosts;
- Executing a Group Net Metering Agreement together;
- Registering the group with the Public Utilities Commission and Eversource; and
- Thereafter filing annual compliance reports.

Lastly, NEM tariffs are subject to revision and Warner Community Power, through the Coalition, intends to work with Eversource, participate in Public Utilities Commission proceedings and engage at the Legislature on issues that impact how the tariffs evolve going forward.

Customers are increasingly adopting new energy technologies and expect to be offered rates and services that provide them with new choices and fair compensation based on their investment; the program's ability to assist customers in these ways is heavily dependent on how state policies and utility regulations evolve over time.

Warner Community Power will seek to represent the interests of our community and customers in these matters.

## Attachment 3: How Load Serving Entity Services will be Implemented

Warner 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.

This plan assumes, but does not require, that the Town will participate fully in and rely on the services provided through the Community Power Coalition of New Hampshire (CPCNH) for the purposes of implementing and operating Warner Community Power.

### The Role & Responsibility of Load Serving Entities

A Load Serving Entity (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 the demand of retail customers at the distribution level (i.e., homes and businesses).

As context, every retail customer in New Hampshire (and across New England) is assigned to a specific Load Serving Entity 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.
- Similarly, customers are assigned to a different Load Serving Entity whenever they are transferred to 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 Community Power Aggregators (CPAs) in New Hampshire are required to either:

1. Register as a Load Serving Entity with ISO-NE; or
2. Contract with a third-party that has agreed to be the Load Serving Entity 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 Load Serving Entities is to provide, 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 or, if an insufficient number of credits is procured, the cost of Alternative Compliance Payments); 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 the above 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, Load Serving Entities are subject to significant state and Federal oversight, in terms of registration, reporting, and financial security requirements.

The web pages below provide current information regarding Load Serving Entity 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](#)

## Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)

The Town currently anticipates that it will 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 Warner Community Power.

### **CPCNH Competitive Solicitation for Comprehensive Services and Credit Support**

On behalf of the Town and CPCNH's eighteen other Member communities, each of which are in various stages of authorizing Community Power Aggregations, CPCNH issued a Request for Proposals (RFP) for Comprehensive Services and Credit Support on April 25, 2022 and is currently 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 of Community Power Aggregation (CPA) programs."*<sup>2</sup> As context:

- For an overview of 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 and participating Member communities, including the Town, plan to draft and adopt enabling agreements, contracts and policies (such as the Energy Risk Management and Financial Reserves policies) refer to "Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)" in Attachment 10: Customer Data Protection Plan below.
- CPCNH's RFP is primarily based upon the solicitation and contracting strategy pioneered by the [Redwood Coast Energy Authority](#) (RCEA), a CPA Joint Powers Authority in California that is similar in size to CPCNH and which successfully contracted for comprehensive services and credit support (inclusive of LSE services) on an at-risk, deferred compensation basis.
  - RCEA subsequently launched CPA program service and began providing LSE services and all-requirements supply to CPA customers in 2017 and has operated continuously while accruing

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<sup>2</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>.

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) various support services (e.g., administration, marketing, etc.). All three contracts are available for review [online here](#).
- Subsequent CPA Joint Powers Agencies have employed similar solicitation and contracting strategies in order to successfully contract for and implement LSE and portfolio management services for participating CPA customers.
- CPCNH previously issued a Request for Information for Comprehensive Services and Credit Support in December 2021 and received numerous submissions from well-established third-party vendors that provide LSE services, portfolio management services and credit support in response. (CPCNH's Board of Directors has designated the responses as confidential due to fact that the competitive solicitation is ongoing.)<sup>3</sup>

The scope of operational services requested under CPCNH's RFP is to broadly *"provide all required services and credit support necessary to operate the agency and supply all-requirements electricity to CPA customers"*. The specific scope of operational functions requested in CPCNH's RFP is provided below:

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*
  - 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*

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<sup>3</sup> CPCNH's Request for Information for Comprehensive Services and Credit Support is available online at: <https://www.cpcnh.org/solicitations>

- 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 staff and authorized third parties for the purpose of enabling research and development of new energy services.*
- 6. *Additional Services: respondents should provide additional descriptions of services not provided for 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 to provide LSE and portfolio management services, CPCNH has contracted with independent experts with domain expertise in:

- 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/or
- Working for an established publicly owned nonprofit enterprise that maintains three operational control centers to support 24/7/365 operations across multiple ISO/RTO markets in order to provide LSE and portfolio management services to substantial numbers of public and private sector clients that serve retail end-use customers.

CPCNH expects to conclude the RFP process, enter into contract negotiations in July-August, and execute contracts to provide comprehensive services and credit support (inclusive of LSE services) in August to September 2022.

Thereafter, CPCNH's Board of Directors expects to finalize and approve the agency's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies, which Warner's appointed Directors expect to provide to the Select Board for approval between October – December 2022.

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

### **Responsibilities of the Town of Warner**

The Town expects that CPCNH's solicitation and contracting strategy will be successful, and that CPCNH and the third-party contractors contracted by CPCNH will implement LSE services and all other services required to launch and operate Warner Community Power.

Depending on the result 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 Load Serving Entity, 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 Warner Community Power's customers.



Typically, such a third-party would additionally 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. At a certain future point, CPCNH may be positioned to register with NEPOOL and ISO-NE as a market participant and Load Serving Entity directly.<sup>4</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.

Additionally, note that the Town of Hanover (whose Member director and alternate director are both participating on CPCNH's Risk Management Committee and proposal evaluation) is already a market participant and Load Serving Entity 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 Load Serving Entity or would contract with a third-party that has agreed to be the Load Serving Entity 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 the above approaches for the Town's consideration.

In the event that the Town does not contract with CPCNH to provide LSE and other services to Warner 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) that contracts to provide LSE services for customers taking service from Warner Community Power.

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

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<sup>4</sup> Refer to CPCNH's draft Business Plan for further details, available under RFP Reference Materials online at: <https://www.cpcnh.org/solicitations>

## Attachment 4: Customer Data Protection Plan

Warner 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 Public Utilities Commission rules.

Individual Customer Data (ICD) includes information that is collected over the course of providing energy services to customers participating in Warner 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.

As described herein, the Town of Warner is responsible for ensuring that reasonable security procedures and practices are implemented and maintained to protect the confidentiality of Individual Customer Data from unauthorized access, destruction, modification, disclosure, or use.

This plan assumes, but does not require, that the Town will participate fully in the Community Power Coalition of New Hampshire (CPCNH) for the purposes of implementing and operating Warner Community Power.

### **Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)**

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>5</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 on April 25, 2022, and is currently 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 of

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<sup>5</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.

*Community Power Aggregation (CPA) programs*<sup>6</sup> on behalf of CPCNH's nineteen Member communities, each of which are in various stages of authorizing Community Power Aggregations.

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>7</sup> and to (2) the RFP Addendum #2 (issued May 24, 2022), at pp. 11 in response to Questions 15.<sup>8</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 Request for Proposals and evaluation process is being overseen by CPCNH's Risk Management Committee, composed of CPCNH Member municipality representatives, with additional support from (1) independent experts with experience operating Community Power Aggregation Joint Powers Agencies, and (2) CPCNH's General Counsel, DWGP, P.C., a nationally recognized law firm with substantial expertise in the Community Power and broader public power industry.

CPCNH's 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.

- Refer to CPCNH's RFP at p.2 for a summary of the substantial domain expertise participating on the Risk Management Committee and proposal evaluation process.

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<sup>6</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>7</sup> [https://www.cpcnh.org/files/ugd/202f2e\\_e781638c123d4cf3977358f845081313.pdf](https://www.cpcnh.org/files/ugd/202f2e_e781638c123d4cf3977358f845081313.pdf)

<sup>8</sup> Pages 11-12 at [https://www.cpcnh.org/files/ugd/202f2e\\_8ceed8824453482c902a8a0fa1ab826c.pdf](https://www.cpcnh.org/files/ugd/202f2e_8ceed8824453482c902a8a0fa1ab826c.pdf).

- For example, the committee includes a Member Director who previously worked for Eversource for 26 years, where he was responsible for deploying and/or operating Eversource's Customer Information System and day to day interface with competitive electric suppliers and was most recently the Director of Eversource's Customer Center Operations.

CPCNH expects to conclude the solicitation process and execute contracts in August to September 2022.

### ***CPCNH Enterprise Risk Management & Customer Data Policies***

After CPCNH has executed service contracts, CPCNH's Board of Directors will finalize and approve the agency's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies. CPCNH's Energy Risk Management and Financial Reserves policies will be subsets of CPCNH's Enterprise Risk Management Policy, which will additionally cover relevant elements of cybersecurity and data confidentiality requirements and other topics.

- CPCNH's Joint Powers Agreement requires CPCNH's Risk Management Committee to draft and recommend the Enterprise Risk Management Policy for consideration and adoption of CPCNH's Board of Directors on or before October 1, 2022.<sup>9</sup>
- Between October and December 2022, Warner's appointed Directors are expected to provide CPCNH's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies to the Select Board for approval between October – December 2022.
- At this point, the Town will contract for and authorize CPCNH to provide specific services on behalf of Warner Community Power.

CPCNH's Board of Directors has been recently presented with a plan to develop additional specific policies and CPCNH's Treasurer has prepared a budget to allocate sufficient funding to support the drafting and review process over the summer and fall. Two relevant such policies are listed below:

- 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.
- 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 Warner 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, or energy efficiency programs on behalf of Warner Community Power.

Third parties under contract to CPCNH that may require access to ICD on behalf of Warner 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 Load Serving Entity (LSE) services on behalf of CPCNH, as well as portfolio management, Electronic Data Interchange (EDI), Customer Information System (CIS), billing, accounting, and related services, and other contractors and

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<sup>9</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).

academic institutions under contract to support the research and development of potential new energy services to offer to customers participating in Warner Community Power.

Specific types of ICD that Warner 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 Warner Community Power Commencement of Service and enrollment of customer in Warner 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 Warner Community Power, such as that in initially proposed Puc 2205.13, most of which may be accessed through the EDU EDI. The need and use for such information, and a 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>10</sup>, and in its 3/28/22 Reply Comments.<sup>11</sup>
- Other confidential customer information that may be received or collected directly by Warner Community Power or CPCNH, or through sources other than the EDU 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 LMI participants that are qualified in the Electric Assistance Program (EAP).

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 Warner 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

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<sup>10</sup> See p. 2 ¶14 and p. 4 ¶16 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>11</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).

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 has 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 Load Serving Entity 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.

## Responsibilities of the Town of Warner

The Town currently anticipates that it will contract for all requirements electricity supply and related energy services through CPCNH, as a joint powers agency, and that the primary acquisition and use of ICD will be through CPCNH and the vendors placed under contract to provide comprehensive services for the operation of Warner Community Power.

The Town Manager shall review that CPCNH has adequate policies, procedures and measures in place to protect confidential 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 that are authorized to access ICD on behalf of the Town before executing any such contracts.

The Town expects contracts and policies to provide for:

- 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 368:38, 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 ICD when it is no longer necessary to accomplish primary purposes pursuant to RSA 368:38; 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.

Lastly, in the event that the Town does not contract with CPCNH to provide energy services to Warner Community Power, then the Town will 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 Public Utilities Commission rules prior to directly collecting, storing, using, or disclosing any ICD or contracting with other Competitive Suppliers, brokers and/or other third-party vendors that require access to ICD.

## 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 Load Serving Entity services under contract to Community Power Aggregators, and (3) access to ICT 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 & 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 Load Serving Entity 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, Warner 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.