March 28, 2022

Mr. Daniel C. Goldner, Chairman
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301

RE: DRM 21-142: Community Power Coalition of New Hampshire Petition for Rulemaking to Implement RSA 53-E for Community Power Aggregations by Stakeholders

Dear Chairman Goldner:

NextEra Energy Marketing, LLC ("NEM") hereby submits reply comments to Colonial Power Group, Inc.'s ("CPG") March 14, 2022 initial comments in the above-captioned rulemaking.

By way of background, NEM is one of the nation's leading electricity and natural gas marketers and a primary supplier in Northeast energy markets. NEM provides a wide range of electricity and gas commodity products as well as marketing and trading services to electric and gas utilities, municipalities, cooperatives, and other load-serving entities. NEM has frequently served as the supplier of default service power to New Hampshire customers over the past 15 years.

As a supplier of default service, NEM disagrees with Colonial Power Group, Inc.'s ("CPG") proposed change to PUC 2204.04(b). That section currently reads:

> (b) The notice required pursuant to (a) above for any CPA to be operated on an opt-out basis shall be provided prior to the commencement of service and the enrollment of any electric customers in the CPA by not less than:
>
> (1) 90 days if the commencement of service is to occur during the first two months of a utility default service supply period with for which rates are or will be fixed or known for 6 months or more; or
>
> (2) 45 days if the commencement of service is to occur after the first two months of a utility default service supply period with fixed or known rates of 6 months or more or if there is no distinct known or fixed rate default service supply period of 6 months or more.

CPG would replace all of PUC 2204.04(b) with: "The notice required pursuant to (a) above for any CPA to be operated on an opt-out basis shall be 45 days." Therefore, CPG seeks to eliminate the structured approach proposed in PUC 2204.04(b) and replace it with little to no structure, which, in turn, will result in higher costs to consumers.

CPG's proposal would add uncertainty on the timing of municipal aggregations, which would complicate the ability of a default service supplier, like NEM, to manage its load obligation. For example, the start date of a Community Power Aggregation ("CPA") may occur during an upcoming default service term. If that occurs, default service suppliers will include additional premiums in their bids to account for the impact of the CPA. Consider a scenario in which a group of municipalities are preparing to kick off the CPA and could realistically leave default service at any point during the procurement term. In the meantime, a default service supplier may seek to manage their load obligation by hedging it fully in the forward markets. The supplier could achieve this by purchasing a number of financial instruments to cover the expected load during the term. The load obligation and hedges required by the supplier to manage that risk will change depending on timing of the CPA, and if the supplier gets the timing wrong this could result in the supplier having a net position and being exposed to market prices. Considering the historically high volatility we are experiencing in the power markets, this could result in significant financial losses to the supplier. Therefore, under CPG's proposal more likely than not the supplier would need to raise their bid price to cover these potential losses and would ultimately lead to both higher prices and costs for customers.

The only way to mitigate the impact of the CPA is for the Commission's regulations to increase certainty on the start of a CPA through the advance notice currently contemplated in PUC 2204.04. Specifically, the current 90-day notice requirement in PUC 2204.04(b)(1) provides an appropriate degree of certainty for the first two months of the service term and results in direct savings for consumers. Hence, contrary to CPG's approach, the 45-day notice currently provided in PUC 2204.04(b)(2) would provide an enhanced opportunity to mitigate the impact of default service on that CPA if it also was 90-day notice like PUC 2204.04(b)(1). Additional advance notice to suppliers of a CPA program start date allows for more opportunity to manage the default service offering and reduce costs to customers. Thus, CPG's proposal should be rejected.

Should you have any questions concerning NEM's reply comments, please contact me at (617) 320-9883 or Meghan.Leahy@nexteraenergy.com.

Sincerely,

Meghan Leahy
Sr. Director, Regulatory and Legislative Affairs
NextEra Energy Resources, LLC