



CLEAN ENERGY NH
Your Voice in All Energy Matters

Community Power in NH

Overview of Senate Bill 286, Relative to Municipal Aggregation

Signed into law August 2 & effective October 1, 2019

Full Text: <https://legiscan.com/NH/text/SB286/2019>

Overview of NH Community Power Law

New business model governed by municipalities & counties:

Manages new energy supply portfolio and provides electricity to residents and businesses

Opportunities to contract with new or existing renewable energy and/or energy storage

Opportunities to integrate local programs (e.g., energy efficiency, EV charging, other “demand flexibility”)

Expands **Customer Choice**

Automatic enrollment for all residents and businesses not already on competitive energy supply (may “opt-out” back to regulated utility / other supplier)

Competitive supply customers can choose to join

Distribution Utilities continue to **deliver** power

and operate **transmission** and **distribution** systems (Eversource, Liberty, Unitil & NH Electric Coop)

Localizes Decision-Making

Community Power programs must be approved by legislative body (e.g., town meeting vote, city council vote)

Community decides how best to govern, manage and operate the new program

Aggregation Powers and Joint Action

“Aggregation” means the grouping of retail electric customers to **provide, broker or contract** for *electricity power supply and retail customer services* which may include:

- The supply of electric power
- Demand side management
- Conservation
- Meter reading
- New meter installations & communications (subject to PUC approval)
- Customer service
- Other related services
- The operation of energy efficiency and clean energy districts (RSA 53-F)

A Community Power program could be:

1. An individual municipality
2. A county (note that “*municipal aggregations shall take priority or precedence over any county aggregations*”)
3. A group of municipalities and/or counties that join together (operating jointly pursuant to RSA 53-A)

Financing & Cost Recovery

Public Financing Options

*“Municipalities may operate approved aggregation programs as **self-supporting enterprise funds** including the use of **revenue bonds** pursuant to RSA 33-B and RSA 374-D and **loans from other municipal enterprise funds** as may be approved by the governing body and the legislative body of the municipality.”*

Surplus revenue, administrative costs, and local programs

Programs can be designed to generate surplus revenue for self-supporting enterprise fund

Surplus revenues cover any administrative costs and/or can be reinvested into local programs

Regulation

- **Community Power programs are not**

- Municipal utilities
- Regulated utilities engaging the wholesale purchase and resale of power

- **Utilities continue to**

- Operate the grid (Transmission and Distribution)
- Be regulated by state & Federal government

- **A Community Power program may**

Elect to participate in the ISO New England wholesale energy market as a **load serving entity**...
...for the purpose of procuring or selling electrical energy or capacity on behalf of its participating retail electric customers

- **NH Public Utilities Commission may**

Adopt rules governing relationship between Community Power and distribution utilities, metering, notice of commencement or termination of program, reestablishment of program

Load Serving Entity

- **Load-Serving Entity (LSE):**

An entity that secures electric energy, transmission service, and related services to serve the demand of its customers.

- **Participate in ISO-NE markets and procure:**

1. Energy
2. Capacity
3. Transmission

Metering & Data

“Business as Usual” Metering & Data Interface

Community Power programs “*shall be treated as competitive electricity suppliers for the purpose of access to the electric distribution utility's electronic data interface*”

+ New Metering & Data Infrastructure authority under Community Power

Community Power programs may...

- (1) Contribute to the cost of electric utility provided meters;
- (2) Jointly own revenue grade meters with an electric utility; OR
- (3) Provide its own revenue grade electric meter

... subject to PUC approval (based on “*finding of public good*” & including sharing / transfer of meter data w/ utility)

Confidentiality & Security

- Community Power programs “*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.***”
- “*An approved aggregation may 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.*”

Case Study: 'Transactive Energy Partnership'

- Lebanon, Liberty Utilities & Dartmouth University
- Deploying interval meters, communications, smart streetlights, etc
- Piloting blockchain platform and unbundled retail prices
- Goal: optimization of Distributed Energy & new retail services to lower costs (in response to market prices, generation & transmission capacity charges, local distribution grid)

Local Authorization Process

1 Governing body forms a **Community Power Committee**

Initial action required by select board, city council, or county commission

(may designate existing committee as Community Power Committee)

2 Committee develops **“Community Power Plan”**

“Multiple local governments may group together in developing such plans”

Must solicit public input and hold public hearings

3 Legislative body approves Plan

Approval action by Town Meeting or City Council

4 Prior to service:

1. All residents and businesses are notified and provided opportunity to opt out (for notification purposes, the utilities *“shall provide current list of names and mailing address for all electric customers on utility distribution service within the local government(s) jurisdiction”*)
2. Local public information meeting shall be held within 15 days of notification to answer questions

Community Power Plan

The Plan shall provide for:

1. *“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*
2. *Shall meet, at a minimum, the basic environmental and service standards established by the commission and other applicable agencies and laws concerning aggregated service.”*

The Plan shall detail:

1. *The organizational structure of the program*
2. *Operation and funding*
3. *Rate setting and other costs to participants, including whether energy supply services are offered on an opt-in basis or on an opt-out basis as an alternative default service*
4. *The methods for entering and terminating agreements with other entities*
5. *The rights and responsibilities of program participants*
6. *How net metered electricity exported to the distribution grid by program participants, including for group net metering, will be compensated and accounted for*
7. *How the program will ensure participants who are enrolled will receive their discount*
8. *Termination of the program”*

Governance, Management, & Operations

Flexibility in Operations

Basic Model: purchase simple energy supply product from single competitive energy supplier (may include RECs).

Advanced model: engage as “Load Serving Entity” in ISO-NE market; launch with and manage a *diversified energy portfolio* of:

— **Procurement:** Contracts with multiple wholesale energy suppliers (different products & terms)

— **Renewables & Storage:** Retail producer-to-consumer contracts (with new and/or existing generators):

Existing generators (e.g., NH hydro, local biomass, other)

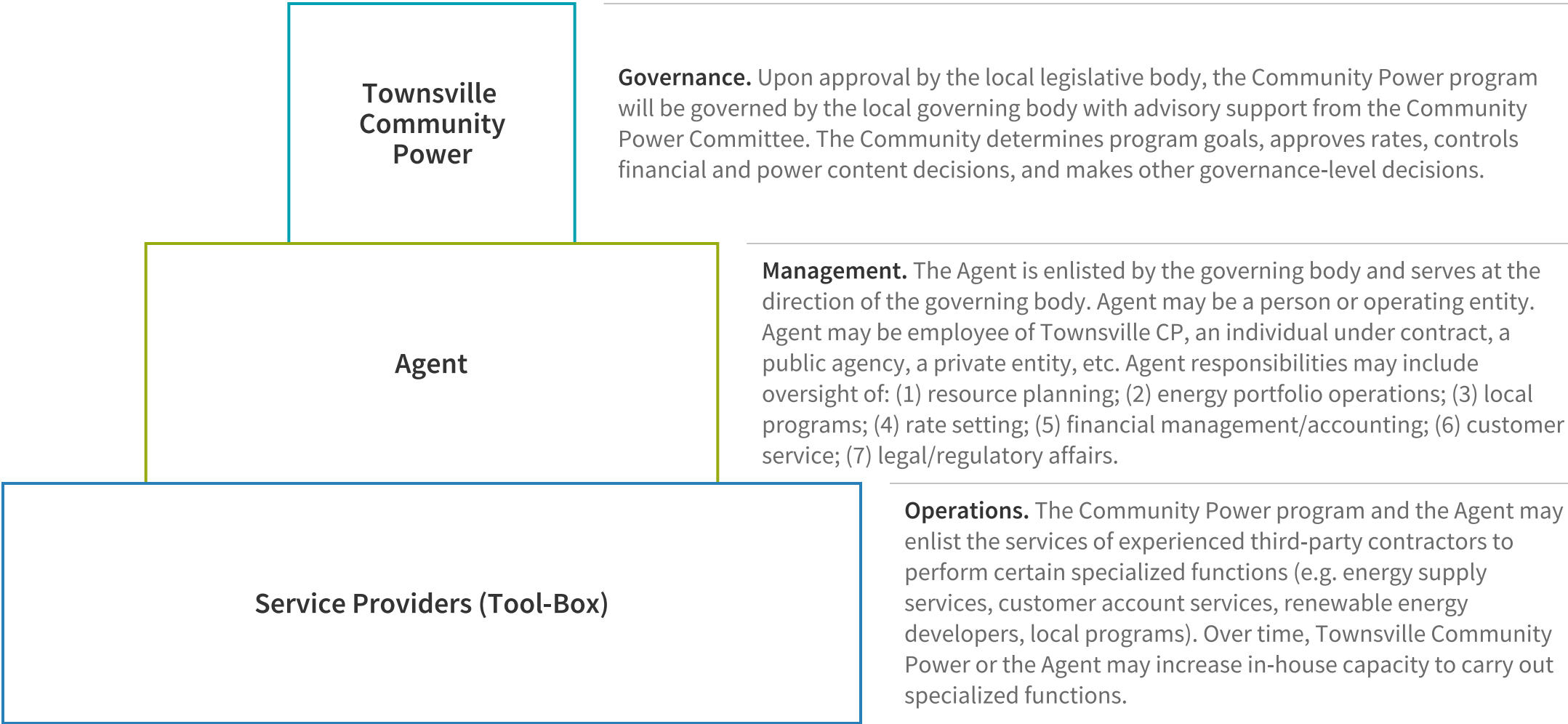
Developers looking for buyers/off-takers (e.g. new solar arrays, battery storage)

Contracts should “fit hand-in-glove” with procurement strategy

— **Local Programs:** integrates distributed energy & flexible demand-side resources to lower peaks/cost (EE, smart thermostats & water heaters, heat-pumps, solar inverters, batteries, EV ‘managed charging’, etc.)

Opportunities for strategic coordination between distribution utilities & communities (building local infrastructure)

Organizational Structure: Governance & Management



Community Power Statewide: Shared Services Considerations

Collaborating on Implementation & Future Reforms

Joint Action implementation

Goal: coordination among Community Power programs = lower costs, better services

Insights from other states / markets

Joint Board Authority: NH RSA 53-A

Ongoing opportunity to improve Policy Landscape

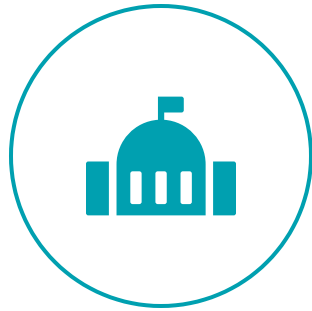
Optimal Community Power implementation & evolution over time may require policy/regulatory engagement

Goal: coordination among Community Power programs & utilities = effective policy/regulatory engagement

What services should or should not be shared, and how?

- Regulatory & policy intelligence
- Standardization of business processes (e.g., utility data acquisition, reporting)
- Data management and analytics
- Energy portfolio risk management (forecasting, procurement, market operations, etc.)
- New retail services (rate design, enabling services for Distributed Energy, Electric Vehicles, etc.)
- Customer service
- Other?

Shared Services Model



Local Governance

Each Community Power program governs local process for authoring plan, setting goals, making program decisions, etc. (management capacity and expertise of local programs expected to grow w/ time)



'Shared Back-Office'

Operational expertise, staff and services housed jointly and shared across Community Power programs
'Toolbox of services' for launch of Community Power programs
Services provided by 3rd party vendors or staff / "as agent" performance contracts



Oversight

Community Power programs establish a governing board to oversee 'Shared Back-Office' (and evolution of services as technology changes)

Shared Services Model

A Shared Services Model ensures each new Community Power program need not 're-invent the wheel' and has access to menu of services pioneered by others

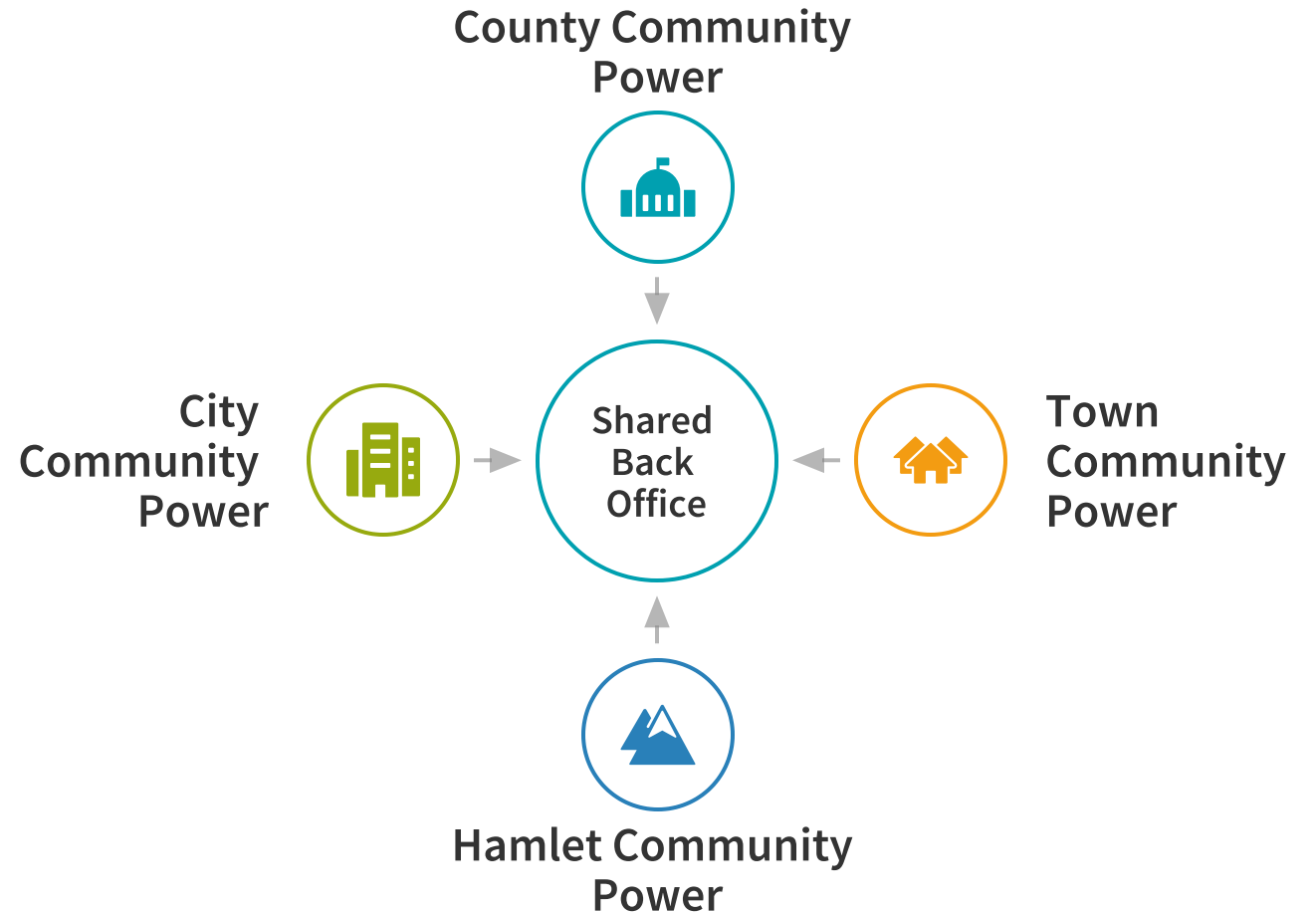
Menu of Shared Services:

Data management & analytics

Energy portfolio risk management

Customer rates, products, services

Et cetera






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