# Committee Report

### REGULAR CALENDAR

March 19, 2021

# **HOUSE OF REPRESENTATIVES**

### REPORT OF COMMITTEE

The Committee on Science, Technology and Energy to which was referred HB 315,

AN ACT relative to the aggregation of electric customers. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

## Rep. Michael Vose

### FOR THE COMMITTEE

Original: House Clerk

Cc: Committee Bill File

#### **COMMITTEE REPORT**

Committee:	Science, Technology and Energy
Bill Number:	HB 315
Title:	relative to the aggregation of electric customers.
Date:	March 19, 2021
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS WITH AMENDMENT 2021-0748H

#### STATEMENT OF INTENT

NH needs a dependable electricity delivery system. It also needs the freedom to innovate in order to modernize its grid. This bill provides both the consumer protections that guarantee a stable and reliable grid while keeping open the pathways to new and more forward-thinking power delivery systems. This bill modifies an existing law that permits the bundling of the electricity demand of many customers into a single bulk purchase. This capability, known as community aggregation, can lower costs by taking advantage of smaller unit charges as quantity goes up – like buying paper towels in bulk at a discount store. Changes made to the existing statute in 2019 added new provisions to augment community aggregation to permit grid modernizations, such as time of use and demand response capability, which transform community aggregation into a new service called community power. These 2019 changes unintentionally created roadblocks to rulemaking for this new capability because it did not protect non-aggregation consumers from potential added costs. This bill restores those protections. The bill, as filed, somewhat hampered community power innovations and the amendment restored the balance between essential consumer protections and a pathway to a modernized grid.

Vote 18-0.

Rep. Michael Vose FOR THE COMMITTEE

Original: House Clerk

Cc: Committee Bill File

#### REGULAR CALENDAR

Science, Technology and Energy

HB 315, relative to the aggregation of electric customers. OUGHT TO PASS WITH AMENDMENT.

Rep. Michael Vose for Science, Technology and Energy. NH needs a dependable electricity delivery system. It also needs the freedom to innovate in order to modernize its grid. This bill provides both the consumer protections that guarantee a stable and reliable grid while keeping open the pathways to new and more forward-thinking power delivery systems. This bill modifies an existing law that permits the bundling of the electricity demand of many customers into a single bulk purchase. This capability, known as community aggregation, can lower costs by taking advantage of smaller unit charges as quantity goes up – like buying paper towels in bulk at a discount store. Changes made to the existing statute in 2019 added new provisions to augment community aggregation to permit grid modernizations, such as time of use and demand response capability, which transform community aggregation into a new service called community power. These 2019 changes unintentionally created roadblocks to rulemaking for this new capability because it did not protect non-aggregation consumers from potential added costs. This bill restores those protections. The bill, as filed, somewhat hampered community power innovations and the amendment restored the balance between essential consumer protections and a pathway to a modernized grid. Vote 18-0.

Original: House Clerk

Cc: Committee Bill File

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#### Amendment to HB 315

1	Amend the bill by replacing all after the enacting clause with the following:
2	
3	1 Aggregation of Electric Customers; Definition; Aggregation. Amend RSA 53-E:2, I to read as
4	follows:
5	I. "Aggregation" means the grouping of retail electric customers to provide, broker, or
6	contract for [electric power supply and] energy services for such customers.
7	2 New Paragraph; Definition; Energy Services. Amend RSA 53-E:2 by inserting after paragraph
8	V the following new paragraph:
9	V-a. "Energy services" means the provision of electric power supply solely or in combination
10	with any or all of the services specified in RSA 53-E:3.
11	3 Municipal and County Authority; Agreements. Amend RSA 53-E:3, II(a) to read as follows:
12	II.(a) Enter into agreements and provide for energy services, specifically:
13	(1) The supply of electric power and capacity.
14	(2) Demand side management.
15	(3) Conservation.
16	(4) Meter reading, with commission approval for meters owned or controlled
17	by the electric distribution utilities or used for load settlement.
18	(5) Customer service for aggregation provided services.
19	(6) Other related services.
20	(7) The operation of energy efficiency and clean energy districts adopted by a
21	municipality pursuant to RSA 53-F and as approved by the municipality's governing body.
22	4 Municipal Aggregators. Amend RSA 53-E:3-a to read as follows:
23	53-E:3-a Municipal Aggregators Authorized. Municipal aggregators of electricity load under
24	this chapter, and municipalities operating municipal electric utilities under RSA 38, are expressly
25	authorized to aggregate [other] energy services [commonly and regularly billed to customers] as
26	described in RSA 53-E:3. Municipalities may operate approved aggregation programs as self-
27	supporting enterprise funds including the use of revenue bonds pursuant to RSA $33-B$ and RSA $374-B$
28	D and loans from other municipal enterprise funds as may be approved by the governing body and
29	the legislative body of the municipality. Any such loans from other municipal enterprise funds shall
30	be used for purposes that have a clear nexus to the primary purposes of such other funds, such as
31	generation, storage, or sale of power generated from sites, facilities, or resources that might

otherwise be operated or produced by the other enterprise fund. Nothing in this chapter shall be

deemed to limit the capacity of customers to select any service or combination of services offered by such municipal aggregators or to limit the municipality from combining billing for [any or all utility] energy services with other municipal services.

5 Regulation of Aggregators. Amend RSA 53-E:4, I to read as follows:

- I. An aggregator operating under this chapter shall not be considered a *public* utility [engaging in the wholesale purchase and resale of electric power] under RSA 362:2 and shall not be considered a municipal utility under RSA 38. [Providing electric power or energy services to aggregated customers within a municipality or county shall not be considered a wholesale utility transaction. However,] A municipal or county aggregation 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, including itself.
  - 6 Regulation of Aggregators. Amend RSA 53-E:4, IV to read as follows:
- IV. For the purpose of obtaining interval meter data for load settlement, the provision of energy services, and near real-time customer access to such data, a municipal and county aggregator may contribute to the cost of electric utility provided meter upgrades, jointly own revenue grade meters with an electric utility, or provide its own revenue grade electric meter, which would be in addition to a utility provided meter [7]. Such metering shall only be implemented subject to the commission finding it is in the public good, assuring that meters used for distribution tariff implementation remain under the control and majority ownership of the electric distribution utility, and [approval of] otherwise approving the terms and conditions for such arrangements, including sharing or transfer of meter data from and to the electric distribution utility.
  - 7 Financial Responsibility. Amend RSA 53-E:5 to read as follows:
- 53-E:5 Financial Responsibility. Retail electric customers who choose not to participate in an aggregation program adopted under RSA 53-E:7 shall not be responsible for, and no entity shall require them to pay, any costs associated with such program, through taxes or otherwise except for electric power supply or energy services consumed directly by the municipality or county, or incidental costs, which may include costs necessary to comply with the provisions of this chapter up to the time that the aggregation starts to produce revenue from participating customers, but shall not include any capitalized or operating costs of an aggregation program.
  - 8 Electric Aggregation Plan. Amend RSA 53-E:6, I to read as follows:
- I. The governing body of a municipality or county may form an electric aggregation committee to develop a plan for an aggregation program for its citizens. A municipality or county may join other municipalities or counties in developing such plans. A county plan may provide an aggregation program for all or a subset of municipalities within the county that request to participate by a majority vote of their respective governing bodies.
  - 9 Aggregation Program. RSA 53-E:7 is repealed and reenacted to read as follows:

# Amendment to HB 315 - Page 3 -

53-E:7 Aggregation Program.

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- I. The governing body of a municipality or county may submit to its legislative body for adoption a final plan for an aggregation program or any revision to include an opt-out aggregation program, to be approved by a majority of those present and voting.
- II. Every electric aggregation plan and any revision of a plan to include an opt-out default service program shall be submitted to the commission, either before or after being submitted by the governing body to the legislative body for approval, to determine whether the plan conforms to the requirements of this chapter and applicable rules of the commission. The commission shall approve any plan submitted to it unless it finds that it does not meet the requirements of this chapter and other applicable rules and shall detail in writing addressed to the governing bodies of the municipalities or counties concerned, the specific respects in which the proposed plan substantially fails to meet the requirements of this chapter and applicable rules. Failure to disapprove a plan submitted hereunder within 60 days of its submission shall constitute approval thereof. municipality or county may submit a plan that is revised to comply with applicable requirements at any time and start the review process over. Any plan submitted to the commission under this paragraph shall also be submitted on the same date to the office of the consumer advocate under RSA 363:28 and any electric distribution utility providing service within the jurisdiction of the municipality or county. The consumer advocate, utilities, and members of the public may file comments about such plans within the first 21 days of their submission. Commission review and approval of electric aggregation plans shall not require a contested case but shall allow time for submission and consideration of any such comments.

III. If the plan is adopted or once adopted is revised to include an opt-out service, the municipality or county shall mail written notification to each retail electric customer within the municipality or county service area. To enable such mailed notification and notwithstanding RSA 363:38, after an aggregation plan is duly approved the electric distribution utility or utilities serving an adopting municipality or county shall provide to such municipality or county a current list of the names and mailing addresses of all electric customers taking distribution service within the municipality or county service area, and for such customers on utility provided default service, the account numbers and any other information necessary for successful enrollment in the aggregation. Notification shall include a description of the aggregation program, the implications to the municipality or county, and the rights and responsibilities that the participants will have under the program, and if provided on an opt-out basis, the fixed rate or charges that will apply. No retail electric customer shall be included in a program in which the customer does not know all of the rates or charges the customer may be subject to at least 30 days in advance and has the option, for a period of not less than 30 days from the date of the mailing, to opt out of being enrolled in such program, unless the customer affirmatively responds to the notification or requests in writing to be included in the program.

# Amendment to HB 315 - Page 4 -

IV. Within 15 days after notification of the plan has been sent to retail electric customers in the service area, a public information meeting to answer questions on the program shall be held.

- V. Services proposed to be offered by or through the aggregation shall be on an opt-in basis unless the adopted aggregation plan explicitly creates an opt-out alternative default energy service program where the rate or price is known at least 30 days in advance of its application and, for a period of not less than 30 days from the date notification is mailed, the customer has the opportunity to opt out of being enrolled in such program, by return postcard, website, or such additional means as may be provided. Customers who are on default service provided by an electric distribution utility shall be enrolled by the aggregator in an aggregation provided alternative default service if they do not elect to opt out. Customers opting out will instead remain on utility provided default service. Customers taking energy service from a competitive electricity supplier shall not be enrolled in any aggregation program, unless they voluntarily opt in.
- VI. New customers to the electric distribution utility after the notification mailing required by paragraph III shall initially be enrolled in utility provided default service unless the customer has relocated within a single utility's service area and is continuing service with a competitive supplier or a municipal or county aggregation program. Upon request of an aggregator, but not more frequently than monthly and notwithstanding RSA 363:38, the utility shall make available to each operating municipal aggregation, or county aggregation where there is no municipal aggregation, the names, account numbers, mailing addresses, and any other information necessary for successful enrollment in the aggregation of customers that are new to or then currently on electric distribution utility provided default service after they have provided the customer list for the initial customer mailing required by paragraph III and that are located within the aggregation service area. The aggregation shall periodically mail a written notification to such new customers that have not previously opted out of the aggregator's service and shall enroll them in the aggregation consistent with the opt-in or opt-out requirements of this paragraph and paragraph III.
- VII. Municipal aggregations shall take priority or precedence over any county aggregations and each such aggregation shall be responsible for assuring that customers are enrolled with the correct aggregation.
- VIII Customers enrolled in a municipal- or county-provided default service shall be free to elect to transfer to utility provided default service or to transfer to a competitive electricity supplier with adequate notice in advance of the next regular meter reading by the distribution utility, in the same manner as if they were on utility provided default service or as approved by the commission. No such customer shall be required to pay any exit fee or charge for such transfer. Customers requesting transfer of supply service upon dates other than on the next available regular meter reading date may be charged an off-cycle meter reading and billing charge. Upon request of the customer the aggregator shall transfer the customer back to utility provided default service.

# Amendment to HB 315 - Page 5 -

IX. Once adopted, an aggregation plan and program may be amended and modified from time to time as provided by the governing body of the municipality or county. In all cases the establishment of an opt-out default service program shall be approved as provided in paragraphs I, II, and IV.

X. The commission shall adopt rules, under RSA 541-A, to implement this chapter and, to the extent authorities granted to municipalities and counties by this chapter materially affect the interests of electric distribution utilities and their customers, to reasonably balance such interests with those of municipalities and counties for the public good, which may also be done through adjudicative proceedings to the extent specified or not addressed in rules. Such rules shall include but not be limited to rules governing the relationship between municipal and county aggregators and distribution utilities, metering, billing, access to customer data for planning and operation of aggregations, notice of the commencement or termination of aggregation services and products, and the reestablishment of a municipal or county aggregation that has substantially ceased to provide services. Where the commission has adopted rules in conformity with this chapter, complaints to and proceedings before the commission shall not be subject to RSA 541-A:29 or RSA 541-A:29-a.

10 New Section; Billing Arrangements. Amend RSA 53-E by inserting after section 8 the following new section:

53-E:9 Billing Arrangements.

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I. For purposes of this section the term "supplier" shall mean an aggregator functioning as a load serving entity under this chapter or a competitive electricity supplier serving an aggregation under this chapter. The term shall also include competitive electricity suppliers generally to the extent and for such customer rate classes as the commission finds, after notice and hearing, that it is for the public good. Such a determination shall be on a utility-specific basis, if proposed and assented to by the utility.

II. Each electric distribution utility shall propose to the commission for review and approval a program for the purchase of receivables of the supplier in which the utility shall pay in a timely manner the amounts due such suppliers from customers for electricity supply and related services less a discount percentage rate equal to the utility's actual uncollectible rate, adjusted to recover capitalized and operating costs specific to the implementation and operation of the purchase of receivables program, including working capital. Additionally, such discount rate adjustments shall include a pro rata share of the cost of administering collection efforts such that the utility's participation in the purchase of receivables program shall not require the utility or non-participating consumers to assume any costs arising from its use. Such pro rata costs must include, but not be limited to, any increases in the utility's bad debt write-offs attributable to participants in the purchase of receivables program, as approved by the commission. However, the allocation of costs arising from different rate components and determination of the uncollectible rate shall be equitably allocated between such suppliers, utility provided default service, and other utility charges that are

# Amendment to HB 315 - Page 6 -

- 1 a part of consolidated billing by the utility as approved by the commission. The discount percentage
- 2 rate shall be subject to periodic adjustment as approved by the commission.
- 3 11 Effective Date. This act shall take effect 60 days after its passage.

#### Amendment to HB 315

Amend the bill by replacing section 6 with the following:

6 Financial Responsibility. Amend RSA 53-E:5 to read as follows:

53-E:5 Financial Responsibility. Retail electric customers who choose not to participate in an aggregation program adopted under RSA 53-E:7 shall not be responsible for, and no entity shall require them to pay, [any] incremental costs associated specifically with the establishment of such program, through taxes or otherwise except for electric power supply or energy services consumed directly by the municipality or county[, or incidental costs, which may include costs necessary to comply with the provisions of this chapter up to the time that the aggregation starts to produce revenue from participating customers]. For any customers in the territory of an aggregation program who either opt-in or do not opt-out of the relevant aggregation program, but who later exit the aggregation program for any reason, no entity shall require them to pay any exit fee or charge upon their exit from the aggregation program.

Amend the bill by replacing all after section 7 with the following:

- 8 Aggregation Program. RSA 53-E:7 is repealed and reenacted to read as follows:
- 18 53-E:7 Aggregation Program.
  - I. The governing body of a municipality or county may submit to its legislative body for adoption a final plan for an aggregation program or any revision to include an opt-out aggregation program, to be approved by a majority of those present and voting.
  - II. Every electric aggregation plan and any revision of a plan to include an opt-out default service program shall be submitted to the commission either before or after being submitted by the governing body to the legislative body for approval, to determine whether the plan conforms to the requirements of this chapter and applicable rules of the commission. The commission shall approve any plan submitted to it unless it finds that it does not meet the requirements of this chapter and other applicable rules and shall detail in writing addressed to the governing bodies of the municipalities or counties concerned, the specific respects in which the proposed plan substantially fails to the met the requirements of this chapter and applicable rules. Failure to disapprove a plan submitted hereunder within 30 days of its submission shall constitute approval thereof. A municipality or county may submit a plan that is revised to comply with applicable requirements at any time and start the review process over. Any plan submitted to the commission under this

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paragraph shall also be submitted on the same date to the office of the consumer advocate under RSA 363:28 and any electric distribution utility providing service within the jurisdiction of the municipality or county. The consumer advocate, utilities, and members of the public may file comments about such plans within the first 15 days of their submission. Commission review and approval of electric aggregation plans shall not require a contested case but shall allow time for submission and consideration of any such comments.

III. If the plan is adopted or once adopted is revised to include an opt-out, the municipality or county shall mail written notification to each retail electric customer within the municipality or county. To enable such mailed notification and notwithstanding RSA 363:38, after an aggregation plan is duly approved the electric distribution utility or utilities serving an adopting municipality or county shall provide to such municipality or county a current list of the mailing addresses of all electric customers taking distribution service within the municipality or county. Notification shall include a description of the aggregation program, the implications to the municipality or county, and the rights and responsibilities that the participants will have under the program, and if provided on an opt-out basis, the fixed rate or charges that will apply. No retail electric customer shall be included in a program in which the customer does not know all of the rates or charges the customer may be subject to at least 30 days in advance of the customer's application and has the option, for a period of not less than 30 days from the date of the mailing, to opt out of being enrolled in such program, unless the customer affirmatively responds to the notification or requests in writing to be included in the program.

IV. Every agreement made hereunder shall, prior to and as a condition precedent to its entry into force, be submitted to the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state. The attorney general shall approve any agreement submitted to him hereunder unless he shall find that it does not in substance meet the conditions set forth herein and shall detail in writing addressed to the governing bodies of the public agencies concerned the specific respects in which the proposed agreement substantially fails to meet the requirements of law. Failure to disapprove an agreement submitted hereunder within 30 days of its submission shall constitute approval thereof.

V. Within 15 days after notification of the plan has been sent to retail electric customers in the service area, a public information meeting to answer questions on the program shall be held.

VI. Services proposed to be offered by or through the aggregation shall be on an opt-in basis unless the approved aggregation plan explicitly creates an opt-out alternative default energy service program where the rate or price is known at least 30 days in advance of its application and, for a period of not less than 30 days from the date notification is mailed, the customer has the opportunity to opt out of being enrolled in such program, by return postcard, website, or such additional means as may be provided. Customers who are on default service provided by an electric distribution utility shall be automatically enrolled in an aggregation provided alternative default service if they do not

elect to opt out. Customers opting out will instead remain on utility-provided default service. Customers taking energy service from a competitive electricity supplier shall not be automatically enrolled in any aggregation program, but may voluntarily opt in. New customers to the electric distribution utility after the notification mailing required by paragraph II shall initially be enrolled in utility provided default service unless the customer has relocated within a single utility's service area and is continuing service with a competitive supplier. The utility shall periodically, but not more frequently than monthly, make available to each operating municipal aggregation, or county aggregation where there is no municipal aggregation, the names, account numbers, and mailing addresses of customers that are new to the electric distribution utility after they have provided the customer list for the initial customer mailing required by paragraph II and that are located within the aggregation. The aggregation shall periodically mail a written notification to such customers and shall enroll them in the aggregation consistent with the opt-in or opt-out requirements of this paragraph and paragraph II. Municipal aggregations shall take priority or precedence over any county aggregations and each such aggregation shall be responsible for assuring that customers are enrolled with the correct aggregation. Customers automatically enrolled in a municipal or county provided default service shall be free to elect to return to utility provided default service or to transfer to a competitive electricity supplier with adequate notice in advance of the next regular meter reading by the distribution utility, in the same manner as if they were on utility provided default service or as approved by the commission.

VII. Once adopted, an aggregation plan and program may be amended and modified fromtime to time as provided by the governing body of the municipality or county and approved by the commission. In all cases the establishment of an opt-out default service program shall be approved as provided in paragraphs I, II, and IV.

VIII. The commission shall adopt rules, under RSA 541-A, to implement this chapter, including but not limited to rules governing the relationship between municipal or county aggregators and distribution utilities, metering, notice of the commencement or termination of aggregation services and products, and the reestablishment of a municipal or county aggregation that has substantially ceased to provide services. Where the commission has adopted rules in conformity with this chapter, complaints to and proceedings before the commission shall not be subject to RSA 541-A:29 or RSA 541-A:29-a.

9 New Sections; Billing Arrangements; Advanced Metering Investigation. Amend RSA 53-E by inserting after section 8 the following new sections:

53-E:9 Billing Arrangements.

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I. For purposes of this section the term "supplier" shall mean a municipal aggregator functioning as a load serving entity under this chapter or a competitive electricity supplier serving an aggregation under this chapter. The term shall also include competitive electricity suppliers

# Amendment to HB 315 - Page 4 -

generally to the extent and for such customer rate classes as the commission finds, after notice and hearing, that it is for the public good.

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- II. Each electric distribution utility providing consolidated billing to suppliers shall either purchase the receivables of the supplier or prorate customer payments as determined by the electric distribution utility.
- III. If the electric distribution utility chooses the option of prorating customer payments, partial payments of amounts due shall be allocated between the utility, the supplier, and any other party in proportion to the percentage of the combined charges on the customer's total bill, under terms and conditions approved by the commission, which may include prioritizing certain types of receivables, such as deposit obligations or aged receivables, over other types of receivables, such as current receivables, but not on the basis of the type of entity due such receivables.
- IV. If the utility chooses the option of purchasing the receivables of the supplier then the utility shall pay such supplier in a timely manner the amounts due such suppliers from customers for electricity supply and related services less a discount percentage rate equal to the utility's actual uncollectible rate and a pro rata share of the cost of administering collection efforts, including working capital, as approved by the commission, provided however that the allocation of such costs and determination of the uncollectible rate shall be equitably allocated between such suppliers, utility provided default service, and other utility charges that are a part of consolidated billing by the utility. The discount percentage rate shall be subject to periodic reconciliation as determined by the commission.
- 53-E:10 Advanced Metering Investigation. The commission shall commence a review of the costs and benefits of implementing advanced metering for electric utility customers by municipal or county aggregations in New Hampshire. As part of its review, the commission shall consider the costs and benefits of utility ownership of advanced meters as compared to municipal or county aggregation ownership. For any of the ownership models considered by the commission, the commission's investigation shall also include a review of the costs and benefits of the software, hardware, and communications investments necessary to implement advanced metering in New Hampshire, as well as any other costs, benefits and operational matters deemed relevant by the commission. As part of its review, the commission may also consider the costs and benefits of implementing alternatives to continued electric distribution utility operation of billing, customer service, and related functions.
  - 10 Effective Date. This act shall take effect 60 days after its passage.

# Voting Sheets



1/22/2021 10:09:50 AM Roll Call Committee Registers Report

#### **2021 SESSION**

## Science, Technology and Energy

Bill #: 315	Motion:	OTP/A	AM #:	Exec Session Date:	03/08/2021
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<u>Members</u>	YEAS	<u>Nays</u>	NV
Vose, Michael Chairman	x		
Thomas, Douglas W. Vice Chairman	x		
Harrington, Michael D.	x		
Notter, Jeanine M.	x		
Merner, Troy E.	x		
Plett, Fred R. Clerk	x		
Berezhny, Lex	x		
Bernardy, JD	x		
Cambrils, Jose E.	x		
Ploszaj, Tom	x		
White, Nick D.	x		
Somssich, Peter F.			X
Cali-Pitts, Jacqueline A.	x		
Mann, John E.	x		
Oxenham, Lee Walker	x		
Vincent, Kenneth S.	x		
McGhee, Kat	x		
McWilliams, Rebecca J.	x		
Chretien, Jacqueline H.	x		
Pimentel, Roderick L.	X		
Parshall, Lucius	X		



1/22/2021 10:09:50 AM Roll Call Committee Registers Report

#### **2021 SESSION**

Science, Technology and Energy

Bill #: 315	Motion:	OTP/A	AM #: Exec Session Date:		03/08/2021		
TOTAL VOTE:				20	0	1	

Page: 2 of 2



1/22/2021 10:09:50 AM Roll Call Committee Registers Report

#### **2021 SESSION**

## Science, Technology and Energy

Bill #: <sup>315</sup>	Motion:	OTP	AM #:	20-6064H	Exec Session Date:	March 8, 2021
	_					

Manufacture.	YEAS	Nays	NV
<u>Members</u>	ILAS	<u>INAYS</u>	<u> </u>
Vose, Michael Chairman	X		
Thomas, Douglas W. Vice Chairman	X		
Harrington, Michael D.	X		
Notter, Jeanine M.	X		
Merner, Troy E.	X		
Plett, Fred R. Clerk	X		
Berezhny, Lex	X		
Bernardy, JD	X		
Cambrils, Jose E.	X		
Ploszaj, Tom	X		
White, Nick D.	X		
Somssich, Peter F.			X
Cali-Pitts, Jacqueline A.	X		
Mann, John E.			X
Oxenham, Lee Walker	x		
Vincent, Kenneth S.	X		
McGhee, Kat	X		
McWilliams, Rebecca J.	X		
Chretien, Jacqueline H.	x		
Pimentel, Roderick L.	x		
Parshall, Lucius	X		



1/22/2021 10:09:50 AM Roll Call Committee Registers Report

#### **2021 SESSION**

Science, Technology and Energy

Bill #: 315	Motion:	OTP	AM #:	20-6064H	Exec Se	ssion Date:	March 8, 2021		
TOTAL VOTE:	-		-		19	0	2		

HOUSE C	OMMITTEE ON Science			
EX	ECUTIVE SESSION ON HB	315		
BILL TITLE: HB315 DATE:				
LOB ROOM: 201				
MOTION: (Please check one	box)			
OTP ITL	Retain (1st year)	<b>x</b> Adoption of	0.055477	
	Interim Study (2 <sup>nd</sup> year)	Amendment #2 (if offered)	0-0664H_	
Moved by RepVose \$	Seconded by RepThomas	Vote: _19-0-2		
MOTION: (Please check one	box)			
OTP X OTP/A	ITL Retain (1st year)	Adoption of		
	Interim Study (2 <sup>nd</sup> year)	Amendment # (if offered)		
Moved by RepVost	Seconded by RepCali-P	itsxVote: _20-0	)-1	
MOTION: (Please check one	box)			
OTP OTP/A	ITL Retain (1st year)	Adoption of		
	Interim Study (2 <sup>nd</sup> year)	Amendment # (if offered)		
Moved by Rep	Seconded by Rep	Vote:		
MOTION: (Please check one	box)			
OTP OTP/A	ITL Retain (1st year)	Adoption of		
	Interim Study (2 <sup>nd</sup> year)	Amendment # (if offered)		
Moved by Rep	Seconded by Rep	Vote:		
CONSEN	TT CALENDAR?	_YesxNo		
Minority Report? Yes	No If yes, author, Rep.:	Motion:		
Respectfully sub	omitted, Rep. Fred Plett	, Clerk		

# HOUSE COMMITTEE ON Science Technology Energy

# EXECUTIVE SESSION ON HB HB315

BILL TITLE:		
DATE: March 19, 2021		
LOB ROOM: 201		
MOTION: (Please check one box)		
OTP ITL	Retain (1st year)	Adoption of Amendment # (if offered)
Moved by RepVose Seconde	d by RepCali-Pitts	Vote: _18-0-3
MOTION: (Please check one box)		
X OTP OTP/A ITL	Retain (1st year)  Interim Study (2nd year)	X Adoption of Amendment #2021-0748H (if offered)
Moved by RepVose	_ Seconded by RepCali-Pitts	Vote:18-0-3
MOTION: (Please check one box)		
OTP s OTP/A ITL	Retain (1st year)  Interim Study (2nd year)	Adoption of Amendment # (if offered)
Moved by RepVose	Seconded by RepSommsich	Vote: _18-0-3
MOTION: (Please check one box)		
OTP OTP/A ITL	Retain (1 <sup>st</sup> year)  Interim Study (2 <sup>nd</sup> year)	Adoption of Amendment # (if offered)
Moved by Rep S	econded by Rep	Vote:
CONSENT CAL	ENDAR?Yes	sx_ No
Minority Report? Yes	No If yes, author, Rep.:	Motion:
Respectfully submitted, I	Rep. Fred Plett	, Clerk

# Hearing Minutes

#### HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

#### **PUBLIC HEARING ON HB 315**

BILL TITLE: relative to the aggregation of electric customers.

DATE: February 12, 2021

LOB ROOM: 201-202 Hybrid Time Public Hearing Called to Order: 3:01 p.m.

Time Adjourned: 5:00 p.m.

<u>Committee Members</u>: Reps. Vose, Thomas, Harrington, Notter, Merner, Berezhny, Bernardy, Cambrils, Ploszaj, White, Somssich, Cali-Pitts, Mann, Oxenham, Vincent, McGhee, McWilliams, Pimental and Parshall, Homola, Murry

**Bill Sponsors:** 

Rep. Vose Rep. Cali-Pitts Rep. Harrington

Rep. Thomas

#### **TESTIMONY**

- \* Use asterisk if written testimony and/or amendments are submitted.
  - Rep Vose introduced the bill. Community power Aggregation Plan. A letter of support was read from the Governor. Rep Vose said there is an amendment coming to work out the complex parts of the bill.
  - \*Shelby Linton spoke in support for Edison Electric Institute
  - \*Bart Framuth opposes the bill as written
  - \*Clifton Below spoke of the bill saying good things in the bill opposed as written, suggested some amendments. Supplied written testimony.
  - \*Don Kreis agreed with all speakers. The need to fix parts of the bill. Sent written tetimony.
  - \*James Donchess, Mayer of Nashua, opposes the bill
  - \*Amy Fournham opposes the bill. Solar power wouldn't in aggregation.
  - \*Donna Gamach representing Eversource. In favor of bill and the coming amendment. Submitting written testimony. Matthew Fossum, Eversource, \_\_\_\_\_\_\_ solar can go on and net metering.
  - \*Marc Brown, Consumer Energy Alliance Opt out causes a problem. In favor of the bill.

# **House Remote Testify**

# Science, Technology and Energy Committee Testify List for Bill HB315 on 2021-02-12

Support: 11 Oppose: 471 Neutral: 2 Total to Testify: 26

1 <u>2 3 4 5</u>

<u>Name</u>	<b>Email Address</b>	Phone	<u>Title</u>	Representing	<b>Position</b>	<b>Testifying</b>	Signed Up
Herndon, Henry	henry@cpcnh.org	781.439.2177	A Member of the Public	Myself	Oppose	Yes (5m)	2/4/2021 6:45 AM
Donchess, James	nashuamayor@nashuanh.gov	603.566.3628	An Elected Official	Nashua	Oppose	Yes (5m)	2/8/2021 3:17 PM
Below, Clifton	Clifton.Below@LebanonNH.gov	603.448.5899	An Elected Official	City of Lebanon	Oppose	Yes (5m)	2/8/2021 3:23 PM
Dragon, Elizabeth	edragon@ci.keene.nh.us	603.357.9804	A Member of the Public	City of Keene	Oppose	Yes (5m)	2/9/2021 10:18 AM
Kreis, Donald	donald.kreis@oca.nh.gov	111.111.1111	State Agency Staff	Office of the Consumer Advocate	Oppose	Yes (5m)	2/10/2021 12:51 PM
Fromuth, Bart	bart.fromuth@felpower.com	111.111.1111	A Member of the Public	Myself	Oppose	Yes (5m)	2/10/2021 1:26 PM
Kalet, Howard	kaletfamily@comcast.net	111.111.1111	A Member of the Public	Rye Energy Committee	Oppose	Yes (5m)	2/11/2021 12:49 PM
Linton Keddie, Shelby	slinton@eei.org	111.111.1111	A Member of the Public	Edison Electric Institute	Support	Yes (4m)	2/11/2021 1:52 PM
BERK, BRUCE	bruce.berk.nh@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	Yes (3m)	2/10/2021 10:58 AM
Walter, Cynthia	cawalter22@gmail.com	412.610.4327	A Member of the Public	Myself	Oppose	Yes (3m)	2/5/2021 12:21 PM
Stephenson, Phillip	phillip.stephenson@gmail.com	504.975.8737	A Member of the Public	Myself	Oppose	Yes (3m)	2/5/2021 4:36 PM
MacKenzie, Rebecca	reb178@myfairpoint.net	603.504.2851	A Member of the Public	Myself	Oppose	Yes (3m)	2/5/2021 8:14 PM
Krakoff, Nick	nkrakoff@clf.org	111.111.1111	A Lobbyist	Conservation Law Foundation	Oppose	Yes (3m)	2/11/2021 3:20 PM
Brown, Marc	mbrown@consumerenergyalliance.org	111.111.1111	A Lobbyist	Consumer Energy Alliance	Support	Yes (3m)	2/11/2021 4:25 PM
Brown, Doria	brownd@nashuanh.gov	111.111.1111	A Member of the Public	The City of Nashua	Oppose	Yes (2m)	2/10/2021 12:08 PM
Weeks, Dan	dweeks@revisionenergy.com	603.264.2877	A Member of the Public	ReVision Energy	Oppose	Yes (2m)	2/5/2021 5:34 PM
Coates, Christopher	ccoates@co.cheshire.nh.us	111.111.1111	A Member of the Public	10 Counties Of NH	Oppose	Yes (2m)	2/11/2021 3:37 PM
Farnham, Amy	amylamphere@hotmail.com	111.111.1111	A Member of the Public	Myself	Oppose	Yes (2m)	2/12/2021 6:46 AM
Manns, Emily	ecmanns@gmail.com	603.924.3571	A Member of the Public	Peterborough Energy Committee	Oppose	Yes (2m)	2/4/2021 12:58 PM
Drachman, Dori	dori.drachman@gmail.com	603.547.0996	A Member of the Public	Peterborough Energy Committee, Monadnock Sustainability Hub	Oppose	Yes (2m)	2/4/2021 4:59 PM
Bates, David	dbates3@yahoo.com	111.111.1111	A Member of the Public	Myself	Oppose	Yes (2m)	2/9/2021 4:32 PM
Hansel, Peter	peterhansel61@twc.com	603.357.3656	A Member of the Public	Myself	Oppose	Yes (2m)	2/9/2021 8:37 AM
Mineau, Madeleine	madeleine@cleanenergynh.org	111.111.1111	A Lobbyist	Clean Energy NH	Oppose	Yes (2m)	2/11/2021 1:02 PM
Hayden, Bob	b.hayden@standarpower.com	111.111.1111	A Member of the Public	Standard Power and Good Energy	Oppose	Yes (2m)	2/10/2021 2:16 PM
Kraus, Carol	carolekraus@gmail.com	603.562.4154	A Member of the Public	Myself	Oppose	Yes (0m)	2/8/2021 8:11 PM

Hodson, Andrea	eacharrisville@gmail.com	111.111.1111	An Elected Official	Town of Harrisville	Oppose	Yes (0m)	2/10/2021 8:04 AM
Zimmerman, Mark Andrew	andzimmerman@gmail.com		A Member of the Public		Oppose	No	2/10/2021 8:29 AM
house, don	donhouse@metrocast.net	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 8:34 AM
Termini, Marcella	marcellatermini@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 8:47 AM
Hathaway, Nathaniel	nhathaway@revisionenergy.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 9:16 AM
Kondos, J	jkondos@home-efficiency.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 9:20 AM
OCallahan, Diane	Doc88south@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 9:24 AM
Laurie, Gordon	Lmgord23@gmail,com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/11/2021 1:53 AM
Sinnott, Cliff	cliffsinnott@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 9:42 AM
Ansevin, Allen	akansevin@aol.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 9:57 AM
Parker, Sharon	Parker20@juno.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 10:03 AM
Wu, Jenni	jenni.c.wu@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 10:09 AM
Taylor, Marjory	mtayd@netscape.net	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 10:18 AM
Dodge, Corinne	corinnedodge@hotmail.com	111.111.1111	A Member of the Public	Myself	Support	No	2/10/2021 11:08 AM
Zoeller, Charles	caz3328@comcast.net	111.111.1111	A Member of the Public	Myself	Support	No	2/10/2021 11:10 AM
Koch, Laurie	kochlj@aol.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 11:28 AM
Jakows, Linds	ljjakows@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 11:33 AM
Nixon, Sherrill	sherri.nixon1@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 11:34 AM
Connolly, Brenna	connolly.brenna@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 11:36 AM
Jamison, Jean	skyline@metrocast.net	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 11:59 AM
Richman, Susan	susan7richman@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 5:26 PM
Smith, Julia	jss.21@dartmouth.edu	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 5:53 PM
thompson, julie	maple371@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 6:10 PM
Begum, Fatema	fatema.begum.22@dartmouth.edu	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 6:16 PM
Deshaies, Brodie	brodiefornh@gmail.com	111.111.1111	An Elected Official	Carroll 6, Wolfeboro	Oppose	No	2/9/2021 6:18 PM
Parlett, Kai	jo.kai.parl@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 6:19 PM
Orifici, Frank	frankorifici@comcast.net	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 6:26 PM
Hansen, Sarah	sarahsarahhansen@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 6:51 PM
Fordey, Nicole	nikkif610@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 7:16 PM
Whitcomb, Thomas	twhitcomb314@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 7:36 PM
Blanchard, Sandra	sandyblanchard3@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 7:36 PM
Sharf, Joanna	josharf@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 7:50 PM
Feder, Robert	robertfeder1@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 7:53 PM
jakubowski, dennis	dendeb146@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 7:53 PM
Andrews, Inez	zenialle@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 7:54 PM
Hartmann, Troy	tch1003@wildcats.unh.edu	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 7:59 PM
Allen, Renay	rmallennh@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 8:27 PM

Staples, Joseph	jomostaples@gmail.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 8:36 PM
Craxton, Edward	ecraxton@yahoo.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 9:13 PM
Krikorian, Linnell	linnkrik@comcast.net	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 9:43 PM
Wiseman, Abigail	Abigail.L.Wiseman.22@dartmouth.edu	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 10:10 PM
Altschiller, Rep. Debra	debra.altschiller@leg.state.nh.us	111.111.1111	An Elected Official	Stratham, Rockingham 19	Oppose	No	2/9/2021 10:49 PM
King, Jordan	Jordan.king@Outlook.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/9/2021 11:28 PM
Bjorklund, Abbe	aebjorkl@msn.com	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 7:00 AM
Brown, William	bbrown@dartmouth.org	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 7:58 AM
Kornhauser, Naomi	naomi.kornhauser@comcast.net	111.111.1111	A Member of the Public	Myself	Oppose	No	2/10/2021 8:48 AM
Carson, Clyde	clyde.carson@gmail.com	111.111.1111	An Elected Official	Myself	Oppose	No	2/10/2021 7:50 AM
Kingsley, Barbara Jo	barbjokingsley@gmail.com	603.567.7126	A Member of the Public	Myself	Oppose	No	2/8/2021 8:14 PM
Hitzrot, Lewis	lhitzrot@exeter.edu	603.778.0924	A Member of the Public	Myself	Oppose	No	2/8/2021 8:37 PM
Rawson, Kimberly	kimlovesnh@gmail.com	603.348.7788	A Member of the Public	Myself	Oppose	No	2/8/2021 9:23 PM
Yates, Cassidy	Cyates994@gmail.com	860.378.5509	A Member of the Public	Myself	Oppose	No	2/8/2021 9:33 PM
MacDowell, Theresa	tmacdowell4@gmail.com	603.748.6330	A Member of the Public	Myself	Oppose	No	2/8/2021 10:02 PM
Broshek, Mary Anne	mabandsadie@gmail.com	603.648.2539	A Member of the Public	Myself	Oppose	No	2/8/2021 11:33 PM
Almy, Susan	susan.almy@comcast.net	603.448.4769	An Elected Official	Myself	Oppose	No	2/8/2021 11:55 PM
Raby, Jacques	jmraby@protonmail.com	603.548.2483	A Member of the Public	Myself	Oppose	No	2/9/2021 9:13 AM
Poor, Daniel	dpoor45@gmail.com	603.675.6805	A Member of the Public	Myself	Oppose	No	2/9/2021 9:44 AM
Baumgartner, Yolanda	yfoursh@gmail.com	603.643.5108	A Member of the Public	Myself	Oppose	No	2/9/2021 9:54 AM
Cook, Barbara	bdc7@aol.com	603.783.4610	A Member of the Public	Myself	Oppose	No	2/9/2021 9:31 AM
Mawson, Julia Steed	islandview999@gmail.com	603.315.4642	A Member of the Public	Myself	Oppose	No	2/9/2021 9:46 AM
King, Robert	bking31415@gmail.com	603.352.3444	A Member of the Public	Myself	Oppose	No	2/9/2021 10:04 AM
moe, carmelita	carmelitaymoe@outlook.com	603.977.0025	A Member of the Public	Myself	Oppose	No	2/9/2021 10:15 AM
Sutherland, Claude	script@comcast.net	603.675.2101	A Member of the Public	Myself	Oppose	No	2/9/2021 10:46 AM
Southard, Barbara	barbsouthard@gmail.com	603.217.7988	A Member of the Public	Myself	Oppose	No	2/9/2021 10:58 AM
Foy, Phillip	phillip@encore.eco	919.464.5591	A Member of the Public	Myself	Oppose	No	2/9/2021 11:22 AM
Luse, Zach	zach@paragondigital.com	603.399.6400	A Member of the Public	Myself	Oppose	No	2/9/2021 11:28 AM
packard, george	Geopacko@gmail.com	603.937.7864	A Member of the Public	Myself	Oppose	No	2/9/2021 11:48 AM
Rich, Cecilia	ceciliarich@hotmail.com	603.380.8679	An Elected Official	Myself	Oppose	No	2/9/2021 12:18 PM
Cockerill, Andrew	ajcockerill@gmail.com	603.763.5747	A Member of the Public	Myself	Oppose	No	2/9/2021 12:20 PM
Booras, Efstathia	efstathia.booras@leg.state.nh.us	603.930.3220	An Elected Official	Constituents	Oppose	No	2/9/2021 12:24 PM
WILKERSON, LUCY	LUCYWILKERSON@GMAIL.COM	603.438.5074	A Member of the Public	Myself	Oppose	No	2/9/2021 12:38 PM
Reed, Judith	jureed@keene.edu	603.357.4905	A Member of the Public	Myself	Oppose	No	2/9/2021 12:44 PM
Jakubowski, Deborah	Dendeb146@gmail.com	603.496.3096	A Member of the Public	Myself	Oppose	No	2/9/2021 12:55 PM

Skuly, Barbara	bskuly@ne.rr.com	603.352.0987	A Member of the Public	Myself	Oppose	No	2/9/2021 1:55 PM
Sullivan, Carol	csullivan77@gmail.com	603.530.1103	A Member of the Public	Myself	Oppose	No	2/9/2021 2:14 PM
Stevens, Representative Deb	debstevens4ward7@gmail.com	603.820.0866	An Elected Official	Nashua Ward 7 Hillsborough 34	Oppose	No	2/9/2021 2:22 PM

1 <u>2 3 4 5</u>

# Testimony

NOTICE: This opinion is subject to motions for rehearing under Rule 22 as well as formal revision before publication in the New Hampshire Reports. Readers are requested to notify the Reporter, Supreme Court of New Hampshire, One Charles Doe Drive, Concord, New Hampshire 03301, of any editorial errors in order that corrections may be made before the opinion goes to press. Errors may be reported by E-mail at the following address: reporter@courts.state.nh.us. Opinions are available on the Internet by 9:00 a.m. on the morning of their release. The direct address of the court's home page is: http://www.courts.state.nh.us/supreme.

#### THE SUPREME COURT OF NEW HAMPSHIRE

Public Utilities Commission No. 2017-0007

APPEAL OF ALGONQUIN GAS TRANSMISSION, LLC
APPEAL OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a
EVERSOURCE ENERGY
(New Hampshire Public Utilities Commission)

Argued: September 27, 2017 Opinion Issued: May 22, 2018

Robinson & Cole LLP, of Hartford, Connecticut and Providence, Rhode Island (Joey Lee Miranda and Dana M. Horton on the brief), and Jennifer R. Rinker, of Houston, Texas, by brief, for appellant Algonquin Gas Transmission, LLC.

McLane Middleton, Professional Association, of Manchester (Wilbur A. Glahn, III on the brief and orally), and Robert A. Bersak and Matthew J. Fossum, of Manchester, by brief, for appellant Public Service Company of New Hampshire d/b/a Eversource Energy.

Orr & Reno, P.A., of Concord (<u>Douglas L. Patch</u> on the brief and orally), for appellee NextEra Energy Resources, LLC.

<u>Thomas F. Irwin</u>, of Concord, by brief, for appellee Conservation Law Foundation.

<u>D. Maurice Kreis</u>, consumer advocate, by brief and orally, for appellee Office of the Consumer Advocate.

Robert Backus, Burt Cohen, Richard Russman, and Clifton Below, self-represented parties, by brief, as <u>amicus curiae</u>.

LYNN, C.J. The appellants, Algonquin Gas Transmission, LLC (Algonquin) and Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource), appeal an order of the New Hampshire Public Utilities Commission (PUC) dismissing Eversource's petition for approval of a proposed contract for natural gas capacity, as well as a program to set parameters for the release of capacity and the sale of liquefied natural gas made available to electric generators, and/or an associated tariff. The appellees, NextEra Energy Resources, LLC (NextEra), Conservation Law Foundation (CLF), and the Office of the Consumer Advocate (OCA), appear in opposition to this appeal. We reverse and remand.

Ι

The following facts are supported by the record. Eversource is a public utility company operating under New Hampshire law as an electric distribution company (EDC). Algonquin is an owner-operator of a gas pipeline located in New England.

In April 2015, the PUC issued an Order of Notice announcing an investigation "into potential approaches involving New Hampshire's [EDCs] to address cost and price volatility issues currently affecting wholesale electricity markets in New Hampshire." As background, the PUC explained that in 1996 the legislature enacted RSA chapter 374-F, the electric utility restructuring chapter, with the "overall public policy goal" of developing "a more efficient industry structure and regulatory framework that results in a more productive economy by reducing costs to consumers while maintaining safe and reliable electric service with minimum adverse impacts on the environment." (Quoting RSA 374-F:1 (2009).) The PUC noted that over the two decades following the chapter's enactment, "competitive electricity markets have developed in New Hampshire, at both the wholesale and retail levels," and that, "[u]ntil recently,

market competition at the wholesale and retail levels has tended to keep electricity prices at reasonable levels for New Hampshire consumers."

The PUC observed, however, that the previous two years had "seen significant transitions in New Hampshire's wholesale and retail electricity markets, and those of the New England region generally," including "an increasing dependence on natural gas-fueled generation plants within the region . . . as aging coal, oil, and nuclear plants have been retired." According to the PUC, "[d]uring recent winters, significant constraints on natural gas resources have emerged in New England, despite abundant natural gas commodity production in the Mid-Atlantic States and elsewhere," leading to "extreme price volatility in gas markets in the winter months in our region, which, in turn, have resulted in sharply higher wholesale electricity prices." The PUC stated that, "[o]verall, the average retail price of electricity in New England is the highest in the continental United States, posing a threat to our region's economic competitiveness."

Recognizing that it has "a fundamental duty to ensure that the rates and charges assessed by EDCs are just and reasonable," the PUC acknowledged that "the potential development of additional natural gas resources for the benefit of the electricity supply in our region should be carefully considered," and that "[a] targeted Staff investigation to examine the gas-resource constraint problem that is affecting New Hampshire's EDCs and electricity consumers generally may yield potential solutions to these market issues." Accordingly, the PUC directed PUC Staff (Staff) to, among other things, "inquire with the EDCs . . . regarding potential means of addressing these market problems" and provide the PUC with a report no later than September 15, 2015.

In the context of that investigation, certain stakeholders asked whether RSA chapter 374-F prohibits EDCs from acquiring gas capacity. In response, Staff issued a memorandum on July 10, 2015, opining that the PUC

may find that a proposal by an EDC to acquire incremental gas capacity, for the use of gas-fired generators, could enhance power system reliability (especially in winter when existing gas capacity is constrained), and thus help the EDC meet its duty to provide reliable service under RSA 374:1; provide public benefits related to the provision of electricity (e.g., less price volatility, enhanced winter reliability, etc.); and serve as an element of New Englandwide cooperation to reduce gas capacity constraints in order to provide for the displacement of oil and coal-fired electric generation by cleaner gas-fired electric generation. If the [PUC] were to decide that these goals were congruent with various Restructuring Policy Principles [in RSA 374-F:3], and that these principles were not overridden by the single principle of generation-distribution

separation in RSA 374-F:3, III, it could conclude that RSA Chapter 374-F does not preclude such an EDC capacity purchase. Furthermore, an EDC making such a proposal could argue that provision of gas capacity to unaffiliated merchant generators does not violate the functional separation principle of RSA 374-F:3, III in the first instance, in that New Hampshire EDCs would not actually acquire the gas capacity for their own use, but rather, would make such capacity available for the use of merchant generators in a bilateral transaction.

On September 15, 2015, Staff issued a 49-page report on its investigation into potential approaches to mitigate wholesale electricity prices.<sup>1</sup> Staff reiterated that the policy principle in RSA 374:F-3, III (2009), that generation services should be "at least functionally separated from transmission and distribution services," RSA 374-F:3, III, should be read in concert with other restructuring policy principles set forth in the statute that are "of similar importance to the functional separation principle." In doing so, Staff concluded that the PUC "could rule, in response to a proposal being made by a New Hampshire EDC, that the potential benefits of a gas-capacity acquisition project would foster the overall goals of the Restructuring Policy Principles of RSA [chapter] 374-F," which include "cost savings for distribution customers of EDCs; enhanced reliability for New England's increasingly gasdependent electric generation fleet and electric transmission system; and environmental benefits from the displacement of inefficient coal and oil generation units by highly efficient gas generation units." Staff noted "that quality evidence of such benefits will be of critical importance in gauging the appropriateness of a given proposal under RSA [chapter] 374-F."

In January 2016, the PUC accepted the Staff report "as compliant with the directives" it had set out. The PUC noted that, although the Staff report set forth Staff's view that "there exists a path under New Hampshire law for the approval of acquisitions of natural gas capacity resources by New Hampshire EDCs for the economic benefit of their customers and the customers of other regional EDCs," it was clear to the PUC "that no consensus exists regarding the potential legality of such an acquisition of gas capacity by a New Hampshire EDC" and the PUC expected "that such a capacity acquisition would be highly controversial."

<sup>&</sup>lt;sup>1</sup> Staff noted that it had received responses to its July 10 memorandum from seven stakeholders presenting "a wide diversity of views" on the issue of the authority of EDCs "acquiring gas pipeline capacity for the ultimate use of gas generators." After reviewing those responses, "and having considered the matter further," Staff re-adopted the conclusions set forth in its July memorandum.

Accordingly, the PUC stated its intention "to rule on the question of whether a New Hampshire EDC has the legal authority to acquire natural gas capacity resources to positively impact electricity market conditions, only within the context of a full adjudicative proceeding . . . , and only in response to an actual (as opposed to hypothetical) petition." The PUC explained that, in such a circumstance, it would consider a petition "in separate phases." In the first phase, the PUC "would review briefs submitted by the petitioner EDC, Staff, and other parties regarding whether such capacity procurement is allowed under New Hampshire law." If the PUC were to rule against the legality of such a petition, the petition would be dismissed, but, if not, a second phase of the proceeding would take place "to examine the appropriate economic, engineering, environmental, cost recovery, and other factors presented by the actual proposal." In doing so, the PUC would allow "discovery, testimony, rebuttal testimony, and cross-examination."

In February 2016, Eversource petitioned the PUC "for approval of a Precedent Agreement for firm gas transportation and storage services between Eversource and Algonquin . . . relative to the proposed Access Northeast ('Access Northeast' or 'ANE') pipeline project (the 'ANE Contract')." Eversource requested the PUC's approval of: (1) "the ANE Contract, which is a 20-year interstate pipeline transportation and storage contract providing natural gas capacity for use by electric generation facilities"; (2) "an Electric Reliability Service Program . . . to set parameters for the release of capacity and the sale of liquefied natural gas . . . supply available by virtue of the ANE Contract"; and (3) "a Long-Term Gas Transportation and Storage Contract . . . tariff, which allows for recovery of costs associated with the ANE Contract."

In March 2016, the PUC issued an Order of Notice of its receipt of Eversource's petition. The PUC noted that "[t]he filing raises, inter alia, issues related to whether" the contract "would violate the Restructuring Principles of RSA Chapter 374-F." Accordingly, the PUC opened the first phase of its proceeding to "review briefs submitted by Eversource, Staff and other parties regarding whether the Access Northeast Contract, and affiliated program elements, is allowed under New Hampshire law."

In October 2016, the PUC dismissed Eversource's petition, concluding as a matter of law that Eversource's proposal conflicted with the principles and requirements of RSA chapter 374-F. After reviewing the stated purposes of the statute set forth in RSA 374-F:1, I and II, and the so-called "functional separation" restructuring policy principle set forth in RSA 374-F:3, III, the PUC ruled that "the overriding purpose of the Restructuring Statute is to introduce

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<sup>&</sup>lt;sup>2</sup> According to Eversource, the ANE pipeline project "is designed to provide increased natural gas deliverability to the New England region to support electric generation, including most directly, the gas-fired electric generating plants on the Algonquin and [Maritimes & Northeast Pipeline] systems."

competition to the generation of electricity," with the "long-term results [to] be lower prices and a more productive economy." It explained that "[t]o achieve that purpose, RSA 374-F:3, III directs the restructuring of the industry, separating generation activities from transmission and distribution activities, and unbundling the rates associated with each of the separate services." Thus, the PUC concluded that "the proposal brought forward by Eversource is fundamentally inconsistent with the purposes of restructuring." The PUC subsequently denied Eversource's and Algonquin's motions for reconsideration, and this appeal followed.

II

On appeal, Eversource argues that the PUC's determination that "the overriding purpose of the Restructuring Statute was to introduce competition to the generation of electricity" resulted from an interpretation of the statute that fails to "comport with the stated purpose of the law, ignores nearly all of the interdependent policy principles enumerated in it, and undermines the authority the Commission has been granted relative to the implementation of the law." (Quotation omitted.) According to Eversource, the PUC "was wrong as to both the expressed purpose of the law and in finding a mandate or directive for the separation of generation and transmission and distribution services within it." Because the PUC's order failed to properly construe RSA chapter 374-F and because that failure "colored the entire order," Eversource contends that it should be reversed. (Capitalization and bolding omitted.)

Algonquin agrees with Eversource that the PUC erred when it concluded that the fundamental purpose of RSA chapter 374-F is to encourage competition in the generation of electricity, arguing that this finding "directly contravenes the plain language of the Restructuring Statute, is inconsistent with its legislative history, and confuses the goals of the Restructuring Statute with the methods by which to achieve those goals." Algonquin asserts that the PUC's analysis "conflate[d] the <u>purpose</u> of the Restructuring Statute with the <u>methods</u> employed by the Restructuring Statute," and, in doing so, "leapt to the unsupported conclusion that the goal of the Restructuring Statute is competition for its own sake."

The parties that appear in opposition to this appeal disagree with Eversource and Algonquin. CLF argues that the PUC correctly interpreted RSA chapter 374-F to conclude that Eversource's proposal "would violate the Act's overriding purpose of establishing <u>competition</u> in the generation of electricity by separating electric generation from electric distribution and protecting ratepayers from generation-related risks." According to CLF, the PUC's interpretation of the statute "is owed deference, [and] is supported by the unambiguous language of the Act, including its purposes to restructure the industry to reduce costs for consumers 'by harnessing the power of competitive

markets,' RSA 374-F:1, I, and to serve the 'essential right of the people' to have '[f]ree and fair competition' and be 'protected against all monopolies and conspiracies which tend to hinder or destroy it." (Quoting N.H. CONST. pt. II, art. 83.) (Quotations omitted.)

OCA asserts that the PUC "did not . . . apply one of the policy principles to the inappropriate exclusion of others," nor did it "read too much into the Legislature's use of the word 'should' in the so-called functional separation principle." Rather, it contends, the PUC "kept faith with its instructions in the implementation section, RSA 374-F[:]4," that "the Legislature has declared that in its restructured state New Hampshire's electric industry now relies on the competitive market for everything related to generation."

Likewise, NextEra argues that "there would have been no electric utility restructuring . . . without the extraction of generation and subjecting it to the market" and, therefore, the PUC's "decision to dismiss the Eversource Petition because it violated the Separation and Unbundling Requirements is supported by the Commission's discernment that the overriding purpose of the Restructuring Statute was the introduction of generation to competition." Furthermore, NextEra asserts that "the fact that the Commission used its informed judgment to focus on the one interdependent policy principle most directly implicated, and cross-referenced in many of the other principles, was reasonable and consistent with the express language of the Restructuring Statute."

III

A party seeking to set aside an order of the PUC has the burden of demonstrating that the order is contrary to law or, by a clear preponderance of the evidence, that the order is unjust or unreasonable. RSA 541:13 (2007); see Appeal of Pennichuck Water Works, 160 N.H. 18, 26 (2010). Although we give the PUC's policy choices "considerable deference" in reviewing its decisions rendered on the merits, we do not defer to its statutory interpretation. Pennichuck, 160 N.H. at 26. Where, as here, the issue presented is purely a question of law, we review the PUC's statutory interpretation de novo. See id.; see also Appeal of Town of Seabrook, 163 N.H. 635, 644 (2012) (explaining that while an interpretation of a statute by the agency charged with its administration is entitled to some deference, we are still the final arbiter of the legislature's intent and are not bound by an agency's interpretation of a statute); Appeal of Bretton Woods Tel. Co., 164 N.H. 379, 386 (2012).<sup>3</sup>

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<sup>&</sup>lt;sup>3</sup> We note that no party suggests that the PUC's construction of the restructuring statute in the present case follows a consistent pattern by that agency of interpreting the statute in a similar fashion. Thus, this case does not present the situation wherein long-standing agency practice has placed an administrative gloss on an ambiguous statute that the legislature has not seen fit to alter. See Petition of Kalar, 162 N.H. 314, 321 (2011); DHB v. Town of Pembroke, 152 N.H. 314,

"In matters of statutory interpretation, we are the final arbiter of the intent of the legislature as expressed in the words of a statute considered as a whole." Roy v. Quality Pro Auto, 168 N.H. 517, 519 (2016) (quotation omitted). "We first look to the language of the statute itself, and, if possible, construe that language according to its plain and ordinary meaning." Id. (quotation omitted). We interpret legislative intent from the statute as written and will not consider what the legislature might have said or add language that the legislature did not see fit to include. LLK Trust v. Town of Wolfeboro, 159 N.H. 734, 736 (2010). We construe all parts of a statute together to effectuate its overall purpose and avoid an absurd or unjust result. Id. Moreover, we do not consider words and phrases in isolation, but rather within the context of the statute as a whole. Id. This enables us to better discern the legislature's intent and to interpret statutory language in light of the policy or purpose sought to be advanced by the statutory scheme. Id.

IV

The issue we address is a narrow one — whether the PUC erred when it determined as a matter of law that, on its face, "the proposal brought forward by Eversource is fundamentally inconsistent with the purposes of restructuring" and, thus, is prohibited under RSA chapter 374-F. In denying Eversource's petition, the PUC first ruled "that the overriding purpose of the Restructuring Statute is to introduce competition to the generation of electricity" with the "long-term results [to] be lower prices and a more productive economy." The PUC then further ruled that "[t]o achieve that purpose, RSA 374-F:3, III directs the restructuring of the industry, separating generation activities from transmission and distribution activities, and unbundling the rates associated with each of the separate services." (Emphasis added.) Given these rulings, the PUC concluded that "the basic premise of Eversource's proposal — having an EDC purchase long-term gas capacity to be used by electric generators — runs afoul of the Restructuring Statute's functional separation requirement." We disagree.

In 1996, the legislature found that "New Hampshire has the highest average electric rates in the nation and such rates are unreasonably high." Laws 1996, 129:1, I. These high electric rates, combined with the findings "that electric rates for most citizens may further increase" and "that there is a wide rate disparity in electric rates both within New Hampshire and as compared to the region," were found to have "a particularly adverse impact on New Hampshire citizens." Laws 1996, 129:1, I. The legislature further found that the effects of the state's "extraordinarily high electric rates disadvantage

321 (2005). The absence of this factor undermines the appellees' argument for deference to the PUC's construction of the statute.

all classes of customers," were "causing businesses to consider relocating or expanding out of state," and were "a significant impediment to economic growth and new job creation in this state." Laws 1996, 129:1, II. Accordingly, the legislature determined that "New Hampshire must aggressively pursue restructuring and increased consumer choice in order to provide electric service at lower and more competitive rates." Laws 1996, 129:1, III. To address these concerns, the legislature enacted RSA chapter 374-F. See RSA 374-F:1.

As set forth in the statute, "[t]he <u>most compelling reason</u> to restructure the New Hampshire electric utility industry <u>is to reduce costs for all consumers</u> of electricity by harnessing the power of competitive markets." RSA 374-F:1, I (emphasis added). "The overall public policy goal of restructuring is to develop a more efficient industry structure and regulatory framework that results in a more productive economy <u>by reducing costs to consumers</u> while maintaining safe and reliable electric service with minimum adverse impacts on the environment." <u>Id</u>. (emphasis added).

To that end, the statute identifies "interdependent policy principles" that "are intended to guide the New Hampshire public utilities commission in implementing a statewide electric utility industry restructuring plan, . . . and in regulating a restructured electric utility industry." RSA 374-F:1, III. These 15 "Restructuring Policy Principles" (policy principles) include: "System Reliability"; "Customer Choice"; "Regulation and Unbundling of Services and Rates"; "Open Access to Transmission and Distribution Facilities"; "Universal Service"; "Benefits for All Consumers"; "Full and Fair Competition"; "Environmental Improvement"; "Renewable Energy Resources"; "Energy Efficiency"; "Near Term Rate Relief"; "Recovery of Stranded Costs"; "Regionalism"; "Administrative Processes"; and "Timetable." RSA 374-F:3, I-XV (2009 & Supp. 2017) (bolding and capitalization omitted).

The specific policy principle at issue before us, the so-called "functional separation" principle, provides in pertinent part:

III. Regulation and Unbundling of Services and Rates. When customer choice is introduced, services and rates <u>should</u> be unbundled to provide customers clear price information on the cost components of generation, transmission, distribution, and any other ancillary charges. Generation services <u>should</u> be subject to market competition and minimal economic regulation and at least functionally separated from transmission and distribution services which <u>should</u> remain regulated for the foreseeable future. However, distribution service companies <u>should</u> not be absolutely precluded from owning small scale distributed generation

resources as part of a strategy for minimizing transmission and distribution costs.

RSA 374-F:3, III (capitalization omitted). Algonquin and Eversource both argue that the proposed ANE Contract does not violate this provision of the statute because a gas contract for the purchase of capacity on a natural gas pipeline does not constitute "generation services." (Quotation omitted.) Eversource contends that it "is not proposing to combine any generation and distribution functions, nor is it proposing the ANE Contract as a means to engage in 'generation services' described in RSA 374-F:3, III," but, rather, "it is seeking to ensure long-term electric system reliability by supporting the delivery of adequate natural gas supplies to, among other end-users, the region's competitive gas-fired electric generators." Algonquin concurs that "Eversource's sole and critical role would be making primary firm natural gas capacity available—Eversource would not be providing or engaged in the generation of electricity." The appellees, on the other hand, contend that the purchase of gas capacity should be considered a component of electricity generation. We conclude that this issue cannot be decided as a matter of law, and, therefore, we decline to address it at this juncture.

However, even assuming that Eversource's proposal could be considered to involve generation, that would not end the inquiry. The chapter does not prioritize the 15 restructuring policy principles contained in section 3. Nor does the chapter reflect any legislative intent that the "functional separation" policy principle is meant to "direct" the PUC in the exercise of its authority in implementing the chapter to the exclusion of the 14 remaining principles. The policy principles are identified as being "interdependent." RSA 374-F:1, III. The common definition of "interdependent" is "mutually dependent." Webster's Third New International Dictionary 1177 (unabridged ed. 2002); see Woolf v. Fuller, 87 N.H 64, 68 (1934) (explaining that two provisions of law were "interdependent," meaning that "one qualified and limit[ed] the other; otherwise . . . due effect could not be given to both at the same time"). As Algonquin points out, the PUC's order "does not . . . discuss any of the other" policy principles, and, "by erroneously focusing on the Functional Separation Principle," the PUC did not consider whether "many, if not all, of the other fourteen [policy principles] would be advanced" by the proposed agreement.

Furthermore, RSA 374-F:3 expressly states when such policy principles establish directives to the PUC. See, e.g., RSA 374-F:3, I (2009) ("[r]eliable electricity service must be maintained" (emphasis added)); RSA 374-F:3, V(a) (2009) ("[a] utility providing distribution services must have an obligation to connect all customers in its service territory to the distribution system" (emphasis added)); RSA 374-F:3, V(c) (2009) ("[a]ny prudently incurred costs arising from compliance with the renewable portfolio standards . . . for default service or purchased power agreements shall be recovered through the default

service charge" (emphasis added)); RSA 374-F:3, XII(a) (2009) ("in addressing claims for stranded cost recovery and fulfilling its responsibility to determine rates which are equitable, appropriate, and balanced and in the public interest . . . , the [PUC] <u>shall</u> balance the interests of ratepayers and utilities during and after the restructuring process" (emphasis added)).

By contrast, other policy principles state only that the PUC "should" take certain factors into consideration, including that "[g]eneration services should be . . . at least functionally separated from transmission and distribution services," RSA 374-F:3, III. See also, e.g., RSA 374-F:3, II (2009) ("[c]ustomers should be able to choose among options such as levels of service reliability, real time pricing, and generation sources" (emphasis added)); RSA 374-F:3, IV (2009) ("[n]on-discriminatory open access to the electric system for wholesale and retail transactions should be promoted" (emphasis added)); RSA 374-F:3, V(a) (2009) ("[e]lectric service is essential and should be available to all customers" and a "restructured electric utility industry should provide adequate safeguards to assure universal service" (emphasis added)); RSA 374-F:3, VII (2009) ("[t]he rules that govern market activity should apply to all buyers and sellers in a fair and consistent manner" (emphasis added)); RSA 374-F:3, VIII ("environmental protection and long term environmental sustainability should be encouraged" and "[i]ncreased competition in the electric industry should be implemented in a manner that supports and furthers the goals of environmental improvement" (emphasis added)); RSA 374-F:3, IX (2009) ("[i]ncreased future commitments to renewable energy resources should be consistent with the New Hampshire energy policy" and "should be balanced against the impact on generation prices" (emphasis added)); RSA 374-F:3, X (2009) ("[r]estructuring should be designed to reduce market barriers to investments in energy efficiency" (emphasis added)); RSA 374-F:3, XIII (2009) ("New Hampshire should work with other New England and northeastern states to accomplish the goals of restructuring" and "should assert maximum state authority over the entire electric industry restructuring process" (emphasis added)).

The use of the word "should" allows the PUC to exercise its discretion and judgment; in contrast, the word "shall" establishes a mandatory duty. See Ford v. N.H. Dep't of Transp., 163 N.H. 284, 296 (2012); Appeal of Psychiatric Institutes of America, 132 N.H. 177, 183 (1989). Had the legislature intended to require the PUC to prioritize the "functional separation" policy principle above all other principles identified in the statute, and to require "functional separation" in all circumstances, it would have said so. "Where the legislature fails to include in a statute a provision for mandatory enforcement that it has incorporated in other, similar contexts, we presume that it did not intend the law to have that effect and will not judicially engraft such a term." In the Matter of Bazemore & Jack, 153 N.H. 351, 354 (2006); see LLK Trust, 159 N.H.

at 736 (stating that we "will not consider what the legislature might have said or add language that the legislature did not see fit to include").

Pursuant to its plain language, and reading the statute as a whole, we discern that the primary intent of the legislature in enacting RSA chapter 374-F was to reduce electricity costs to consumers. See RSA 374-F:1, I. We disagree with the PUC's ruling that the legislature's "overriding purpose" was "to introduce competition to the generation of electricity." Rather, as the statute provides, the legislature intended to "harness[] the power of competitive markets," RSA 374-F:1, I, as a means to reduce costs to consumers, not as an end in itself.<sup>4</sup> See Appeal of Campaign for Ratepayers Rights, 145 N.H. 671, 673 (2001) (explaining that "the goal of restructuring was to create competitive markets that would produce lower prices for all customers than would have been paid under the then-current regulatory system" (quotation and brackets omitted)). Likewise, we disagree with the PUC's ruling that RSA 374-F:3, III directs the "functional separation" of generation services from transmission and distribution services and elevates that single policy principle over the others identified in the statute.

We acknowledge that the Massachusetts Supreme Judicial Court has interpreted that state's restructuring law differently than we do New Hampshire's statute. See ENGIE Gas v. Dep't of Public Utilities, 56 N.E.3d 740 (Mass. 2016). However, we disagree with the conclusion reached in that case for the reasons stated herein.

We hold that the PUC erred in dismissing Eversource's petition as a matter of law. In light of our decision, we need not address the appellant's remaining arguments. Accordingly, we reverse the PUC's dismissal of the petition and remand to the agency for further proceedings consistent with this opinion.

#### Reversed and remanded.

HANTZ MARCONI, J., concurred; DALIANIS, C.J., retired, specially assigned under RSA 490:3, concurred; HICKS, J., dissented.

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<sup>&</sup>lt;sup>4</sup> Under the PUC's construction, the restructuring statute would preclude approval of Eversource's petition based upon the functional separation principle even if the agency were to conclude, following a full hearing, that the other policy principles identified in the statute clearly outweighed functional separation and that the proposal would produce more reliable electric service at lower rates for New Hampshire consumers than presently exists without any significant adverse consequences. We do not believe that RSA chapter 374-F can sensibly be construed in this fashion.

HICKS, J., dissenting. Because I agree with the Public Utilities Commission (PUC) that Eversource's proposal "is fundamentally inconsistent with the purposes of restructuring," I respectfully dissent.

The majority disagrees with the PUC's determination that "the overriding purpose of the Restructuring Statute," RSA chapter 374-F, "is to introduce competition to the generation of electricity," and instead concludes that "the primary intent of the legislature in enacting RSA chapter 374-F was to reduce electricity costs to consumers." It therefore interprets RSA chapter 374-F (the Restructuring Statute) to authorize the PUC to expressly undermine competition and to reintegrate electricity generation costs and services with those of transmission and distribution should the PUC find that "other policy principles identified in the statute clearly outweighed functional separation and that the proposal would produce more reliable electric service at lower rates for New Hampshire consumers than presently exists without any significant adverse consequences."

In reaching its construction of the Restructuring Statute, the majority applies a number of admittedly well-recognized tools of statutory construction to interpret selected terms within the statute — for example, consulting a dictionary to define the term "interdependent" and interpreting the term "shall" to "establish[] a mandatory duty," in contrast to "should," which the majority construes to permit discretion. In doing so, however, the majority misses the forest for the trees.

I begin with the recognition that when "we examine . . . statutory language, we do not merely look at isolated words or phrases, but instead we consider the statute as a whole." In the Matter of Maves & Moore, 166 N.H. 564, 566-67 (2014). "In so doing, we are better able to discern the legislature's intent, and therefore better able to understand the statutory language in light of the policy sought to be advanced by the entire statutory scheme." Id. at 567. "Our goal is to apply statutes in light of the legislature's intent in enacting them, and in light of the policy sought to be advanced by the entire statutory scheme." State Employees Assoc. of N.H. v. N.H. Div. of Personnel, 158 N.H. 338, 343 (2009) (quotation omitted).

Read as a whole, the Restructuring Statute clearly evinces that, while the reduction of consumer electricity costs was both the impetus for the Restructuring Statute and the anticipated result of its enactment and implementation, see RSA 374-F:1 (2009), it was not an end to be obtained by any means the PUC should think appropriate. Indeed, even assuming the majority's point that "the primary intent of the legislature in enacting RSA chapter 374-F was to reduce electricity costs to consumers," it would be "quite mistaken to assume . . . that whatever might appear to further the statute's primary objective must be the law." Henson v. Santander Consumer USA Inc.,

137 S. Ct. 1718, 1725 (2017) (quotations and brackets omitted); <u>see also State v. Dor</u>, 165 N.H. 198, 205 (2013) (noting same).

In RSA chapter 374-F, the legislature did not simply mandate rate reduction, but clearly expressed the means by which it sought to achieve that result. The statute's statement of purpose, for instance, provides:

The most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets. The overall public policy goal of restructuring is to develop a more efficient industry structure and regulatory framework that results in a more productive economy by reducing costs to consumers while maintaining safe and reliable electric service with minimum adverse impacts on the environment. Increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry that will require unbundling of prices and services and at least functional separation of centralized generation services from transmission and distribution services.

RSA 374-F:1, I (emphases added). The legislature sought to reduce electricity costs, to be sure, but sought to do so by restructuring the industry to introduce competition into the market for electricity generation. See Appeal of Campaign for Ratepayers Rights, 145 N.H. 671, 673 (2001) (noting that Restructuring Statute "directed the PUC to design a restructuring plan in which electric generation services and rates would be extracted from the traditional regulatory scheme, unbundled, and subjected to market competition" (quotations omitted)).

The term "restructuring" occurs, in some form, throughout RSA chapter 374-F, including, notably, in the statute's title: "Electric Utility Restructuring." See Greenland Conservation Comm'n v. N.H. Wetlands Council, 154 N.H. 529, 534 (2006) ("The title of a statute is not conclusive of its interpretation, but it is a significant indication of the intent of the legislature in enacting a statute." (citations omitted)). It is not a term the legislature used without context. As the legislature noted in its findings preceding the sections codified as the Restructuring Statute: "Restructuring of electric utilities to provide greater competition and more efficient regulation is a nationwide phenomenon and New Hampshire must aggressively pursue restructuring and increased customer choice in order to provide electric service at lower and more competitive rates." Laws 1996, 129:1, III.

By way of background, "[u]ntil relatively recently, most state energy markets were vertically integrated monopolies," <u>Hughes v. Talen Energy</u>

Marketing, LLC, 136 S. Ct. 1288, 1292 (2016), in which "electricity was sold by vertically integrated utilities that had constructed their own power plants, transmission lines, and local delivery systems," New York v. FERC, 535 U.S. 1, 5 (2002). Such a utility's "sales were 'bundled,' meaning that consumers paid a single charge that included both the cost of the electric energy and the cost of its delivery." Id. In the 1990s, the Federal Energy Regulatory Commission "commenced a program of deregulating and 'unbundling' the wholesale electric power industry by restructuring and separating electrical generation, transmission, and distribution." MPS Merchant Services, Inc. v. F.E.R.C., 836 F.3d 1155, 1160 (9th Cir. 2016). Subsequently, many states restructured and deregulated their own electric energy markets. See, e.g., id.; Northeast Energy v. Mahar Regional School, 971 N.E.2d 258, 264 n.14 (Mass. 2012) (noting that "[a]doption of the [Massachusetts] restructuring act followed similar changes in Federal law that created competition within the wholesale electric power industry").

Critical to interpreting the Restructuring Statute is the recognition that in the context of this "nationwide phenomenon," Laws 1996, 129:1, III, restructuring is inextricably tied to competition: "Restructuring is nothing short of a complete reordering of the famously staid electric utility industry" and "[t]he raison d'etre of restructuring is to bring about free market-like competition in the industry." Joel B. Eisen, The Environmental Responsibility of the Regionalizing Electric Utility Industry, 15 Duke Envtl. L. & Pol'y F. 295, 313 (2005). Our state legislature clearly used the term in that context. It found that although "[m]onopoly utility regulation has historically substituted as a proxy for competition in the supply of electricity[,] . . . market forces can now play the principal role in organizing electricity supply for all customers instead of monopoly regulation." Laws 1996, 129:1, IV. The legislature therefore concluded that "[i]t is in the best interests of all the citizens of New Hampshire that the general court, the executive branch, and the public utilities commission work together to establish a competitive market for retail access to electric power as soon as is practicable." Laws 1996, 129:1, V. Moreover, the legislature explicitly linked the Restructuring Statute's "transition to competitive markets for electricity" to the "directives of part II, article 83 of the New Hampshire constitution" to protect the people's "inherent and essential right" to "[f]ree and fair competition in the trades and industries." RSA 374-F:1, II.

The Restructuring Statute, which uses some form of the word "compete" (e.g., "competition," "competitive") no fewer than 55 times, was clearly enacted "to create competitive markets that are expected to produce lower prices for all customers than would have been paid under the current regulatory system." RSA 374-F:3, XI (Supp. 2017) (emphasis added). Eversource itself recognizes that fact, but asserts that "twenty years later, the [PUC] and ISO-NE[, the regional electricity market administrator,] have recognized that competition has

not achieved its stated purposes." Even assuming that to be the case, however, if the legislature's chosen solution has not achieved the anticipated results, it is neither the PUC's nor this court's place to rewrite the statute. See Appeal of THI of NH at Derry, LLC, 168 N.H. 504, 512 (2016) (noting that when statute's plain language reflects that the asserted statutory goal of keeping nursing home beds in service "is to be accomplished only in the narrow circumstances to which the statute applies[,] . . . the [Health Services Planning and Review] Board had no authority to ignore this requirement to further an arguably more general statutory objective"). The type of policy about-face that would be required to authorize Eversource's proposal should be made, if at all, by the legislature. See, e.g., Dolbeare v. City of Laconia, 168 N.H. 52, 57 (2015) (declining to consider public policy argument in construing statute because "matters of public policy are reserved for the legislature").

Similarly, the contention that the PUC impermissibly elevated the importance of the functional separation principle over RSA 374-F:3's other policy principles — or that functional separation itself was merely a suggestion that the legislature thought the PUC ought to consider — ignores the importance that insisting upon "at least functional separation" plays in implementing and maintaining competition in a formerly vertically integrated industry in which some components remain regulated monopolies. The term "functional separation," while not explicitly defined in the Restructuring Statute, see RSA 374-F:2 (Supp. 2017) (definitions section), may generally be understood to mean "requiring utilities to separate their competitive generation functions from their regulated transmission and distribution functions." Sonnet C. Edmonds, Retail Electric Competition in Kansas: A Utility Perspective, 37 Washburn L.J. 603, 632 (1998). It may also be seen as a less drastic alternative to divestiture, under which "a utility would have to divest itself of all or a portion of its generating assets to another entity or entities in order to remain in the distribution business." Id. at 631; see also Paul L. Joskow & Roger G. Noll, The Bell Doctrine: Applications in Telecommunications, Electricity, and Other Network Industries, 51 Stan. L. Rev. 1249, 1304 (1999) (noting that an alternative approach to "structural separation," i.e., divestiture, "involves functional separation of generation, transmission, and distribution (i.e., costs separations and certain operational separations between competitive and regulated segments) within existing vertically integrated firms, combined with open access and pricing rules for use of the transmission and distribution networks by competing suppliers of generation" (emphases omitted)).

The importance of at least functionally separating generation services from transmission and distribution services is that achieving and maintaining a competitive market in generation services depends upon it. As Professors Joskow and Noll explain, "vertical integration between [the monopolistic transmission and distribution functions] and the [competitive] generation

function effectively turns the supply of generating service into a monopoly as well," despite the existence of competitors in the generation market. Joskow & Noll, <u>supra</u> at 1298. Thus, the Supreme Judicial Court of Massachusetts similarly explained that functionally separating generation services from transmission and distribution services in that state's restructuring act "was regarded as a necessary first step in moving toward a fully competitive generation market" because such separation "limit[s] a company's ability to provide itself an undue advantage in buying or selling services in competitive markets." Northeast Energy, 971 N.E.2d at 265 (quotations omitted).

I acknowledge that the legislature used the term "should" in RSA 374-F:3, III (Supp. 2017). I would not, however, "consider [that] word[] . . . in isolation." Appeal of Michele, 168 N.H. 98, 102 (2015) (noting that "we do not consider words and phrases in isolation, but rather within the context of the statute as a whole" (quotation omitted)). To conclude, as the majority does, that "[h]ad the legislature intended to require the PUC to prioritize the functional separation' policy principle above all other principles identified in the statute, and to require 'functional separation' in all circumstances, it would have said so," turns a blind eye to the legislature's manifest intent to "transition to competitive markets for electricity." RSA 374-F:1, II.

I note that the Massachusetts Supreme Judicial Court, in ENGIE Gas v. Department of Public Utilities, 56 N.E.3d 740 (Mass. 2016), vacated an order of the Massachusetts Department of Public Utilities in which "the department determined that the plain language of [the Massachusetts restructuring act] provides the department with the statutory authority to approve gas capacity contracts entered into by electric distribution companies, so long as the department first determines that such long-term contracts are in the public interest" and "further concluded that it could properly allow cost recovery for the contracts, including the cost of building the necessary pipeline infrastructure, through electric distribution rates." ENGIE Gas, 56 N.E.3d at 744. The court noted that the language of the statutory provision at issue neither "expressly forbid [the department] from reviewing and approving contracts by electric distribution companies for gas . . . [n]or . . . clearly permit[ted] such activity." Id. at 748. Nevertheless, the court concluded that the department's order was "invalid in light of the statutory language and purpose of [that provision], as amended by the restructuring act, because, among other things, it would undermine the main objectives of the act and reexpose ratepayers to the types of financial risks from which the Legislature sought to protect them." Id. at 742 (emphases added).

Similarly, here, the PUC determined that Eversource's proposal "is fundamentally inconsistent with the purposes of restructuring." The PUC concluded — sustainably, I believe — that "the Capacity Contract is a component of 'generation services' under RSA 374-F:3, III," and that

"[i]ncluding such a generation-related cost in distribution rates would combine an element of generation costs with distribution rates and conflict with the functional separation [principle]." In other words, the PUC implicitly concluded (notwithstanding the use of an arguably permissive "should," as opposed to a directive "shall," in a single provision of the Restructuring Statute) that Eversource's proposal ran directly contrary to the legislature's manifest intent, expressed throughout the statute, to extricate generation from transmission and distribution and to establish a competitive market for the former. RSA 374-F:3, III. But see RSA 374-F:1, I ("Increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry that will require unbundling of prices and services and at least functional separation of centralized generation services from transmission and distribution services." (emphases added)). I believe that the PUC's decision is correct, and, in any event, was well within the discretion the legislature delegated to the PUC by providing a set of "interdependent policy principles . . . to guide the [PUC] in implementing a statewide electric utility industry restructuring plan . . . and in regulating a restructured electric utility industry." RSA 374-F:1, III (emphasis added). I respectfully dissent.

#### **ENERGY & ENVIRONMENT**

## THE NEED FOR ELECTRICITY RETAIL MARKET **REFORMS**

An innovative 21st century retail electric power market is within reach, but won't emerge until we ditch 20th century regulations.

#### **➡** BY MICHAEL GIBERSON AND LYNNE KIESLING

chool budgets always seem tight, so you might be surprised that state regulators would seriously consider a proposal that would increase school operating costs by millions of dollars as part of an effort to boost monopoly electric utility profits. Yet Michigan legislators came close to adopting such a proposal in 2014 when they considered ending the state's customer choice option for retail electricity consumers.

School administrators working with the nonprofit Michigan Schools Energy Cooperative (MISEC) told legislators that retail energy choice helped them save almost \$15 million in 2013. MISEC has helped Michigan schools save over \$120 million since it was formed in 2000, the year the state first allowed customer choice. Eliminating customer choice meant schools would have to cut services elsewhere.

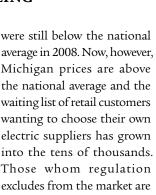
Ever since Michigan allowed retail customer choice for electric power, the state's regulated electric utilities have pushed to return to the comforts of being regulated monopolies. In 2008 the utilities convinced regulators to cap the popular option at just 10% of the market. Average retail power prices were just below the national average when customer choice began in the state, and

waiting list of retail customers excludes from the market are clamoring for choice.

#### WHATEVER HAPPENED TO DEREGULATION?

The Michigan experience exemplifies the last two decades' halfhearted push into customer choice reforms for electric power. The hope of reformers in Michigan and elsewhere was to bring to electric power the same burst of innovation, better prices, and customer-oriented growth that had resulted from the deregulation of airlines, trucking, financial services, and other industries in the late 1970s and 1980s. There is some evidence that it is working, too, if you look in the right places-Michigan schools, for example.

The customer choice movement was strongest in states with especially high power prices in the 1990s, like California, New



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York, and Massachusetts. A few moderate-priced states with well-organized industrial energy consumers, like Michigan, Ohio, and Texas, also pursued reform. If regulated monopoly was the problem, then reform meant allowing competition and giving customers the ability and responsibility to choose their own electricity supplier. By early 2001, about 20 states had begun reforms and millions of electric power consumers gained at least some freedom to choose their retail supplier.

Yet when California's newly restructured system fell apart in 2000–2001, the push for deregulation stopped faster than it started. (See "Special Report: The California Crisis," Fall 2001.)

States that had not initiated reforms simply abandoned deregulatory proposals. Others froze reforms, limiting competition to a fraction of mostly industrial and commercial customers. Only 15 states continued to push for competition, more cautiously than before.

The passage of time has given us perspective on the California market meltdown, and we now have experience with retail competition from the states that stayed the course. The industry has also changed much in 20 years, with new and better technologies for power generation, communication, and coordination now available. We have a deeper understanding of the resource

#### **ENERGY & ENVIRONMENT**

opportunities and environmental tasks we face, and reasons to appreciate both the role of policymakers and the wisdom behind limits placed on their reach.

It is time to take a fresh look at the case for retail electric power competition. Vast advancements in digital technology provide the basis for dramatic change in the electric power industry. For these developments to emerge, however, the distribution grid must transition from its one-directional, utility-to-consumer flow to support multi-directional flow. Homes, small businesses, office parks, and other utility customers are already shifting from pure consumers to being hosts for distributed energy resources on a small scale, with technologies like microgrids, rooftop solar, and electric vehicles. The potential for distributed generation and greater customer interaction is much larger than 20 years ago.

The technology for this transformation already exists. Computers and telecommunication technology are merging with distributed energy systems. At the leading edge, programmable thermostats have given way to smart home energy management systems that enable consumers to automate changes in their appliance and device settings. Great possibilities arise from the "internet of things," a vision of device-to-device coordination working automatically to achieve consumer goals at low cost. This vision enables smarter energy use that can produce both environmental benefits and consumer savings.

### THE CHOICE BETWEEN MONOPOLY AND COMPETITION

The historical logic of utility regulation was as follows: the electric utility industry offered significant economies of scale—the larger the utility, the lower the average cost of producing power. If competition were to be permitted, the largest of the competitors could undercut its competitors and become a monopolist, and would then be in a position to raise prices and obtain excess profits. By granting a state-protected monopoly territory, the state enabled the utility to achieve economies of scale, but in exchange the state asserted authority to regulate utility rates to protect consumers.

Utility regulation also had an economy-of-scope rationale. The need for continuous close matching of the quantity of electricity produced and consumed on the grid provided significant economic and reliability benefits from vertical integration across the retail, "wires," and generation sectors of the industry. Transaction costs would have overwhelmed any early attempt to develop a large-scale local distribution system involving multiple generating companies and many competitive power retailers on an interconnected grid.

Technical advance has undermined both the economies-of-scale and economies-of-scope rationales for monopoly in electricity. For many years, building larger generating units and larger distribution networks lowered average costs. But beginning in the 1970s the trend toward lower average costs from bigger and bigger

utilities came to an end. Smaller generation units were developed that were as cheap or cheaper when matched to the right location, and the recent advances in natural gas drilling that have lowered natural gas prices have amplified that trend. Advances in digital technologies have significantly reduced the transaction costs of continuous coordination among many generating firms.

Perhaps only the power delivery system—the distribution and transmission grid—still shows natural monopoly characteristics. It is no longer necessary for all power production and delivery assets to be owned and managed by a single company. Yet electricity distribution utilities are still substantially subject to monopoly-based regulation.

The internet, with all of its dynamic possibilities, was in large part made possible because telecommunication companies were freed from such monopoly-based regulation. Critical to the internet's dynamism is its openness to experimentation and learning. The internet allows permissionless innovation: within very broad technical and contractual limits, just about anyone can try just about anything.

Economic regulation, however, is fundamentally a permission-based system. Because any new development or change in regulated service requires approval from the utility commission, regulation tends to slow or stifle innovation. Legal entry barriers, bureaucratic procedures for cost recovery, and the risk aversion of both regulator and regulated, all undermine processes that enable innovation. Perhaps ironically, while the most dynamic sectors of the economy are powered electrically, the electric power industry remains largely stuck with 20th century ways of doing business. These old ways discourage innovations that could help the industry better meet the needs of 21st century electric power customers.

The public policy choice to grant monopolies to vertically integrated electric utilities always faced tradeoffs between the innovation and value that would have resulted from competition and the lower costs and more reliable supplies from a regulated monopolist. For many years, both consumers and regulated monopolies seemed better off from the system. This conclusion is no longer true. The costs of blocking competition are growing larger and the benefits smaller. The reasons to prevent customers from picking their own suppliers have faded.

What next? Delivery of electric power is likely to remain mostly a monopoly for the foreseeable future. Allowing competition to grow elsewhere requires isolating the regulated monopoly from competitive sectors. The first step, then, is to quarantine the monopoly. Second, the regulated distribution monopoly must be organized to support transactions among many suppliers and many consumers. Third, the role of utility regulators must shift from market overseer to something more akin to referee.

#### QUARANTINE THE MONOPOLY

What of the 15 years or so of experience with retail choice in the states that stuck with reforms after the California market disaster? The results disappoint some market advocates. While retail competition for industrial and large commercial customers is strong, at the residential level markets remain weak in most of the 15 states that allow retail choice. Only in Texas has retail rivalry been robust for residential consumers. While the reasons for weak competition are debated by industry insiders, the Texas exception is telling. Texas, much more clearly than in any other state, has "quarantined the monopoly."

The phrase "quarantine the monopoly" was devised by William Baxter, an assistant attorney general for the U.S. Department of Justice and the primary architect of the 1982 settlement of the federal government's antitrust case against the AT&T monopoly. One of Baxter's principal concerns about AT&T was that the company would have incentives and opportunity to extend its monopoly into related markets to the detriment of competition.

Most restructured states have failed to effectively quarantine the monopoly in electricity in large part because the incumbent monopolist's role as a default provider created a cost of entry that deterred competitors.

In response, he proposed limiting the harm to competition in related markets by isolating the regulated monopoly as much as possible from these markets. This policy of quarantining the monopoly has become known as "Baxter's Law" (and also as the Bell Doctrine).

Texas very clearly quarantined the "wires" monopoly when it restructured its retail power market. Over most of the state, the large, vertically integrated utilities were spun off into separate energy retailers, generation resources, and wires companies. Only the wires companies retained status as regulated monopolies. Texas also chose not to have incumbent default service, which other restructured states retained and which keeps the incumbent in the retail market, even if the generation cost is a pass-through.

With these changes, competition has emerged quite robustly in Texas. Most residential customers in the competitive markets in Texas can choose from over 40 different potential retail energy providers and have over 200 different products to choose from. Over 90% of customers have switched providers at least once since competition began. Consumer products offered include both long-term and short-term fixed rates as well as variable rates, renewable content varies from a few percent to 100%, and consumers with solar panels on their property can sign up for "net metering"–style offers from competitive retail suppliers. The Public Utility Commission of Texas reports electric

rates in areas open for retail competition have fallen by about 30–40% compared to the regulated price that prevailed prior to opening the market.

Most restructured states have failed to effectively quarantine the monopoly in electricity in large part because the incumbent monopolist's role as a default provider created a cost of entry that deterred competitors. In Michigan, some customers jumped at the chance to dump the former monopoly provider, but regulated "default service" rates offered by the incumbent utility made it difficult for competitive providers to gain much of a foothold.

Ohio provided for retail competition in 2001, requiring investor-owned utilities to unbundle their services and charges for generation, transmission, and distribution; customers were allowed to choose their own retail supplier. But unbundling

services into affiliated companies does not provide the needed quarantine around the monopoly, and competition in Ohio has suffered because of it. After a very slow start, just over half of Ohio residential customers have switched from the utility-offered default service, but most switching has been through customer aggregation programs run by local governments rather than competitive suppliers. Municipal power purchases on behalf of end customers is a far cry from the dynamic retail mar-

ketplace needed to promote customer-serving innovations.

The results in other states vary, but a survey of ongoing state legislative and regulatory efforts suggests unhappiness with the current half-way reforms now more than 15 years old. New York, while engaged in a multi-year regulatory push to re-imagine the future of competitive retail power in the state, has simultaneously been imposing tighter, more cumbersome controls on existing competitive retail suppliers. Illinois, too, has been talking about grander visions for a dynamic future, but retains policies like incumbent default service that stifle competitive entry. Connecticut offers customer choice, but it recently banned competitive suppliers from offering contracts with market-based variable pricing.

As Baxter feared with the AT&T monopoly, states that left regulated electric monopolies in the retail supply business have seen these monopolies grow at the expense of competition. Quarantining the monopoly appears to be the single most effective approach to bringing about robust retail competition. It may be the *only* effective approach.

#### **BUILD PLATFORM MARKETS**

Once the delivery system monopoly has been quarantined from generation and retailer interests, two policy issues remain: what rules should govern regulated delivery service, and what rates should apply. The delivery company will remain a local

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monopoly, and therefore its terms of service and rates will continue to be regulated by the state government. To support the growth of competition and innovation, the rules and rates should be as neutral as reasonably possible with respect to producer and consumer technologies, retailer business models, and customer classes.

Environmental policy goals and other social policy goals are best dealt with directly rather than trying to engineer distribution rules to achieve policy outcomes. The regulated distribution system rules should not operate to discriminate in favor or against, say, renewable power technologies or customers with self-generation capability. Interconnection standards should be developed and harmonized across distribution utilities within

a state and across states. Widespread standardization of technical requirements will minimize regulatory barriers to entry for distributed energy resources and other customer systems such as electric vehicles or residential batteries. The primary policy goal in developing such standards should be to support permissionless innovation while ensuring that customer equipment does not hamper system performance.

The wires company is the physical platform for delivering power to and from retail customers. This physical platform should be complemented with a market platform to help buyers and sellers on the grid come together in ways that coordinate the use of the power delivery system. This local delivery system integrated with an energy market is best conceived as a platform market.

One proposal for platform market organization is the Independent Distribution System Operator (IDSO) model: an independent entity charged with planning functions and operational control of the distribution grid that is separated from ownership of the distribution system assets. The proposal resembles the integrated wholesale markets and transmission system operations of regional transmission organizations such as the New York Independent System Operator (ISO), PJM, and the Midcontinent ISO. IDSOs are recommended for distribution utilities with a high degree of distributed energy resource penetration as better able to offer non-discriminatory access and transparency while reducing market power concerns.

The IDSO split of asset ownership and control is especially critical if the distribution utility has not been well quarantined from generation and retailing interests. The critical independence is from economic interests in specific generation assets or retailer services. The rules governing the platform market and use of the grid will be important to fostering innovation.

As an illustration of this point, consider the potential of smart meters and the data they make available. Utilities frequently wish to monopolize control over customer-related data, but consumers can benefit from (carefully managed) sharing of data with energy retailers and other service providers. Smart meters can be important innovation enablers that lower costs and aid in achieving customer goals. Both the value of electrical energy to consumers and the cost to suppliers can vary dramatically over the course of a day. Smart meters can track how much electricity is flowing across the instrument throughout the day and share that information with retail suppliers and customer energy management systems, enabling more sophisticated market and energy consumption strategies. The old analog meters, read manually once a month, would block many potentially valuable business models. A smart-metered distribution utility that withholds detailed data even from the consumer can just as easily block

The primary goal in developing interconnection standards should be to support permissionless innovation while ensuring that customer equipment does not hamper system performance.

potentially valuable services.

While most distribution utility costs reflect capital investments, reliable operation of the distribution system requires energy consumption and may involve some transactions between the distribution utility and energy suppliers (or flexible consumers). The IDSO model readily lends itself to transparent, competitive procurement processes. To the extent the distribution system does engage in the procurement of services from energy market participants, such services must be obtained through a transparent, competitive process so as to avoid creation of any conflicts of interest. The distribution platform utility should not itself be a market participant.

#### DISTRIBUTION UTILITY RATES

The clash of public goals can lead to politicized utility rate cases. Efficiency advocates, renewable energy supporters, and other environmental interests join industrial and commercial consumers and state consumer advocates to lobby public utility commissions into tilting the rate design one way or another. "Not-In-My-Back-Yard" activists show up to protest planned projects. Utilities want to boost their rates of return. Sometimes, regulatory decisions spill over into court cases. The consequences can be large enough to justify these efforts, but the product is not necessarily reliable power at the most reasonable cost.

Policies governing rate cases must shift to support retail competition. There are two parts to this issue: first, how costs of the regulated "wires" utility and related wholesale costs are recovered

from retail power suppliers; and second, how retail power suppliers recover their expenses from end-use customers. The better the rules governing regulated utility rates, the more dynamic the retail energy market will be.

Quarantining the monopoly dramatically shrinks the rate case challenge because distribution system expenses are only one-quarter to one-third of the typical electric bill, but the remaining monopoly will still have regulated rates. Such rates should be designed to recover revenue requirements while remaining as neutral as possible toward the diverse business plans of grid users.

Decoupling the distribution utility's revenue recovery from energy sales is one step toward neutrality. Decoupling provides for periodic rate adjustments to ensure the utility recovers its revenue requirement, neither more nor less. Energy efficiency advocates promote decoupling as a way to remove a bias toward energy sales created by traditional rate designs. From the point of view of supporting competition, the value of decoupling is a way of further quarantining the monopoly. If increased throughput boosts a utility's rate of return, then the utility's interests will be biased toward some customer plans and against others. Decoupling enhances the quarantine by reducing that bias.

In addition to paying for use of the regulated grid facilities, retail power suppliers must acquire and pay for balancing energy and other distribution grid support services through the IDSO's platform market. Efficiency will be enhanced by pricing that balances energy and grid services in ways that reflect real-time conditions on the grid. The best such pricing method is distributed locational marginal pricing (DLMP). While DLMP introduces some complexity to the market, it is far superior to simpler alternatives.

To further support competition, the regulated rates and platform market expenses should be recovered from retail power suppliers rather than directly from end-use consumers. The retailer may simply pass through the utility charge as a few lines on its bill or it may bundle in the charge in some manner. Innovative approaches to consumer rates will be enhanced if the manner in which retailers pass through distribution charges is not dictated by regulators.

Individual consumers need not be exposed to continuously variable, sometimes unpredictable market prices in order to achieve economic efficiency. So long as competitive retail suppliers must cover the costs of grid-usage by their customers, retail suppliers will have the incentive to offer contracts that work to encourage efficient use of the grid. Of course, automation via transactive technologies makes dynamic prices easier for customers to manage as well.

Advanced technologies such as digital smart meters enable rate designs that send more accurate price signals for both energy use and distribution system use. Instead of the still-common bundled flat rate, competitive retail suppliers could offer customers time-of-day sensitive rates, market-price rates, and other dynamic rate

designs. Some competitive retail suppliers in Texas have offered customers "free nights and weekends," policies reminiscent of early cell phone rates. Dynamic energy pricing can allow customers to lower their bills by shifting their consumption (e.g., running the dishwasher) from times of day when the grid is at its peak use and costs are high. When customers are encouraged to shift consumption away from peak, overall system efficiencies are improved, which lowers prices for even those consumers who subscribe to flat-rate services.

Automation and digital communications technology reduce transaction costs and make possible more granular, time-specific "wires" charges reflecting real-time costs of system resource use. Such an approach can promote overall system efficiencies and reduce cost-shifting among customers better than increasing fixed-cost allocations or raising demand charges—regulatory tools sometimes employed in response to growing levels of distributed energy resources.

#### THE ROLE OF THE REGULATOR

The role of the regulator will necessarily change. The regulator will remain engaged in cost-of-service regulation for the distribution system and therefore retain oversight over capital spending and service offerings. Standard cost-of-service rate regulation provides for a reasonable rate of return on capital investment, but it simply passes operating expenses on to customers without offering the utility other profit opportunities. As a result, regulated utilities can be biased toward "asset heavy" solutions to potential system concerns. The potential inefficiency is reduced when the regulated monopoly is limited to the wires-based portion of the system, but it remains a concern. Regulatory oversight of capital investment by the utility continues to be an important task.

However, regulator responsibility with respect to other expenses will shift toward ensuring a smoothly operating, competitive market. Most significantly, regulators will oversee the rules of the platform markets. This aspect of the regulatory mission should be guided by three interrelated principles: innovation, competition, and dynamism.

Many state regulators have found it valuable to establish online information clearinghouses for competitive retail offerings like powertochoose.org in Texas and papowerswitch.com in Pennsylvania. Centralizing and standardizing the presentation of consumer information makes it easier for customers to shop.

Such systems are not without controversy. Some competitive retail suppliers in Texas have carefully designed rate offerings to appear first in most search results, even though few customers will achieve an average rate as low as advertised. The standardization of information presented on state websites may overly focus consumer attention on price or customer ratings and inadvertently impede the ability of competitive retail suppliers to innovate on other product margins. Nonetheless, information clearinghouses appear to encourage competition.

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#### THE RELIABILITY CHALLENGE

Utilities have pushed back against unbundling of vertically integrated companies by raising reliability issues. Reliability concerns were frequently front-and-center when retail restructuring debates began two decades ago. Similarly, with the debate over implementation of the Public Utility Regulatory Policies Act a decade and a half earlier, reliability concerns were frequently cited in defense of the established way of doing things. With each step toward competition it has become clear that reliability can be preserved on the system outside of vertically integrated monopoly control.

With the right rules governing retail markets, price signals will help coordinate customer actions and system needs. Operators should find reliability easier to manage.

Reliability remains a priority for the distribution company and for the regulator. Many reliability practices would remain the same as today, from proactive tree-trimming to participation in the electric utility industry's mutual assistance network for post-storm service restoration.

However, the information and communications technologies constituting the smart grid open up exciting possibilities. Smart grid technologies and their transactive nature mean that reliability need not be a "one size fits all" kind of service. A home energy management system could selectively turn off power to certain rooms or appliances during grid emergencies or during times of high prices, with no effort from or disruption of the homeowner. Smart grid technologies make it feasible for a retailer to offer contracts that interact with the consumer's energy management system. Rather than the coarse tools of brownouts or rolling blackouts in emergency conditions, a smoothly managed curtailment of low-value power consumption would be the first response. With the right rules governing retail markets, price signals will help coordinate customer actions and system needs; operators should find reliability easier to manage.

#### **CONCLUSION**

Can it work? Yes. While no one-size set of policies will fit everywhere, several states have shown that greater consumer choice in electric power works.

States including Pennsylvania, Maryland, and Illinois are taking further steps toward empowering consumers. In Texas, most consumers can choose from among hundreds of different power contracts featuring a range of environmental and other attributes. Consumers with residential solar can sign up for a net metering

contract through a competitive retail power supplier—no contentious state policy battle necessary.

The wires remain regulated by the state utility commission, as do a number of other features of the electric industry, but within the bounds of the rules consumers find a wide range of choices. Among the innovations around the distribution edge are product offerings that bundle in smart home thermostats or other home energy management options with electric power service.

Current business models and regulatory practices governing electric utilities discourage innovation and make it more difficult

for energy resources to flow to consumers in an effective, efficient, value-maximizing manner. But innovation is happening around the edges of the distribution utility, and pressure is building for a new wave of regulatory reforms.

Will such reforms boost consumer choice or lead to a more politicized electric industry? There is an opportunity to cut back monopoly power, promote greater customer choice and customer responsibility for energy production and use, and

let consumers get more of what they want from the electric power industry. Building an open, competitive distribution grid will do the most to broaden the opportunities for development of an innovative, dynamic, consumer-focused electric power industry. Supporters of economic freedom should engage this reform effort.

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#### THE STATE OF NEW HAMPSHIRE

#### **BEFORE THE**

#### **PUBLIC UTILITIES COMMISISON**

#### **DE 19-197**

#### **Electric and Natural Gas Utilities**

#### Development of a Statewide, Multi-use Online Energy Data Platform

#### Testimony of Samuel Nash Vautier Golding

On behalf of Local Government Coalition

August 17, 2020

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#### I. Introduction and Qualifications

- 1 Q. Mr. Golding, would you please state your name, business address, and occupation?
- 2 A. My name is Samuel Nash Vautier Golding. My business address is 12 S. Spring Street,
- 3 Concord, NH 03301. I am president of Community Choice Partners, Inc., a consultancy that
- 4 specializes in the design and operation of power enterprises operating in competitive markets and
- 5 is dedicated to maximizing democratic, informed decision-making in the energy industry. Our
- 6 clients reflect the diversity of the energy industry and have included: city and county
- 7 governments, municipal and investor owned utilities, Community Power Aggregation ("CPA")
- 8 agencies, energy technology and software companies, labor unions and electrical contractor
- 9 associations, and a variety of consumer advocate, environmental and social justice nonprofits.
- 10 Q. Please describe your formal education and relevant professional experience.
- 11 **A.** I received an undergraduate degree in International Political Economy from Colorado
- 12 College in 2006. I entered the utility industry in 2007 and assumed responsibilities that focused
- 13 on evaluating the performance of demand-side management programs, conducting electricity
- and natural gas demand-side management and demand response potential studies at the utility
- and state territory levels, tracking hundreds of distributed energy resource technologies and
- 16 customer-facing smart grid applications emerging across organized electricity markets, and
- 17 contributing to 'Utility of the Future' strategies. These experiences revealed the limitations of
- 18 utility operations and state regulatory governance models in terms of responsibly managing
- 19 technological change and maximizing public benefits.
- In 2011, I became the managing director of the consultancy that originally created
- 21 Community Choice Aggregation ("CCA"), and later founded Community Choice Partners in
- 22 2013. Based on my professional experience operating and designing CCA agencies, I created

- the "CCA 2.0" and "CCA 3.0" maturity models for the California CCA industry (which
- 2 delineate specific structural improvements to CCA operations and joint action governance
- 3 models, respectively) and helped to educate and align industry stakeholders in this capacity in
- 4 California.<sup>1</sup>
- 5 In New Hampshire, I am informally advising a coalition of municipalities that are
- 6 forming the "Community Power New Hampshire" Joint Action enterprise ("CPNH") as a
- 7 means to extend sophisticated power agency operations, unbiased advice and regulatory
- 8 intervention support to all Community Power Aggregations that launch throughout the state.
- 9 My activities supporting the development of this initiative and market over the last year have
- included, in addition to direct work products: discussions and correspondence with the
- Governor's Office of Strategic Initiatives and Office of Consumer Advocate, legislators,
- 12 regulatory professionals, local elected officials and staff; presentations to local energy
- 13 committees, the Conservation Law Foundation's Municipal Roundtable, and Clean Energy
- 14 New Hampshire's Local Energy Solutions conference; and briefings to Commission staff
- 15 regarding the drafting of CPA market rules as well as participation in technical workshops and
- stakeholder meetings to discuss related matters.
- 17 Q. Have you prepared a summary of your qualifications and experience?
- 18 **A.** Yes. Exhibit 1 to my testimony summarizes my qualifications and experience.
- 19 Q. Have you previously submitted testimony in regulatory proceedings?
- 20 A. I have previously submitted testimony to the California Public Utilities Commission on
- 21 behalf of the Utility Consumers Action Network (UCAN), a ratepayer advocacy nonprofit, in
- 22 regard to San Diego Gas & Electric's Electric Procurement Revenue Requirement forecast,

<sup>&</sup>lt;sup>1</sup> For example, refer to my "Community Choice 2.0 & 3.0 Tutorial Workshop" agenda: https://app.box.com/file/433445758440

- 1 with a focus on the inaccuracies in utility forecasting caused by market settlement cost shifts
- 2 stemming from the inappropriate withholding of customer usage data from Community Choice
- 3 Aggregators by the utility on an operational basis (Application 20-04-014).
- 4 Q. Describe your involvement in DE 19-197 up until this point.
- 5 A. I have participated actively in technical sessions and in informal conversations with
- 6 stakeholders throughout this docket process. In addition, I facilitated Q&A calls for parties
- 7 during which two vendors presented on their relevant experiences in other organized electricity
- 8 markets. These were recorded and sent to the docket list, <sup>2</sup> along with a separate recording that
- 9 one of the vendors had previously made for the docket list.<sup>3</sup>
- 10 Q. Please summarize any additional electric regulatory experience.
- 11 A. In New Hampshire, I participated in the PUC's informal workshop regarding rule
- drafting for Community Power Aggregation (a proceeding for which has yet to formally open),
- and have facilitated bilateral calls between the CPNH coalition, PUC staff, OCA, utilities, and
- other stakeholders regarding the rule drafting process, with a particular focus on utility data
- sharing and related matters.
- I am also party to Case Number 14-01211 in New York (Proceeding on Motion of the
- 17 Commission to Enable Community Choice Aggregation Programs), where I submitted
- 18 descriptions of Community Choice operating and governance models during the initial rule
- drafting process, and in Docket No. 20-05-13 (Study of Community Choice Aggregation) in
- 20 Connecticut, which recently opened and where I participated in the first technical workshop. In
- 21 the California market, I have prepared regulatory filings for the County of Los Angeles (A.14-

<sup>&</sup>lt;sup>2</sup> Recordings available online:

 $<sup>\</sup>underline{https://transcripts.gotomeeting.com/\#/s/38ee31a47a913e07d9059f4bc737a3bf03b154fca86543a82f293e6cc3fc2960}$ 

<sup>&</sup>lt;sup>3</sup> Recording available online: <a href="https://app.box.com/s/qjkbae4skxpzxhrwkktxp1z50xvv7mhl">https://app.box.com/s/qjkbae4skxpzxhrwkktxp1z50xvv7mhl</a>

- 1 05-024) and for the ratepayer advocate nonprofit UCAN (R.17-06-026), both on the subject of
- 2 the expansion of the Community Choice industry and corresponding market. I also protested
- 3 SCE Advice Letter No. 3781-E, on the grounds that restricting access to interval usage data
- 4 degrades the accuracy of Community Choice forecasting capabilities, and independently
- 5 submitted to the Commission the compilation "Energy Risk Management Policies of
- 6 Community Choice Aggregators" and the report "The Theory and Evolution of Community
- 7 Choice in California". <sup>4</sup> The latter included a detailed description of Community Choice
- 8 operating models along with a summary of deficient utility business processes and data access
- 9 barriers that jeopardize the innovative potential and financial competitiveness of Community
- 10 Choice agencies.

#### 11 II. Overview of Testimony

- 12 **Q.** What is the purpose of your testimony?
- 13 A. The purpose of my testimony is to provide the Commission with context regarding the
- 14 current state of the competitive retail market and the new Community Power Aggregation market
- that will soon launch in New Hampshire, along with relevant insights regarding how fully
- 16 restructured markets rely on market frameworks for governance and operations in practice, such
- 17 that the Commission may make an informed decision in this docket, particularly in regard to how
- 18 best to structure governance of the statewide data platform to align with electric utility
- 19 restructuring mandates under RSA 374-F.

<sup>&</sup>lt;sup>4</sup> Refer to: Samuel Golding, "The Theory and Evolution of Community Choice in California", 11 June 2018. Available online:

http://www.cpuc.ca.gov/uploadedFiles/CPUC Public Website/Content/Utilities and Industries/Energy - Electricity and Natural Gas/Community%20Choice%20Partners DraftGreenBookComments.pdf; and Samuel Golding, "Energy Risk Management Policies of Community Choice Agencies", 11 July 2018. Available online: <a href="http://www.cpuc.ca.gov/uploadedFiles/CPUC">http://www.cpuc.ca.gov/uploadedFiles/CPUC</a> Public Website/Content/Utilities and Industries/Energy - Electricity and Natural Gas/Community%20Choice%20Partners CustomerChoiceSupplementalComments.pdf.

#### Q. Please summarize your testimony.

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- 2 A. My testimony characterizes: the current state of public confidence in the utility
- 3 industry; the extent and performance of the competitive retail market in New Hampshire; the
- 4 structure, performance metrics and governance framework used in fully restructured
- 5 competitive retail markets; my observations regarding New Hampshire's default service
- 6 practices in relation to the goals of the Electric Utility Restructuring Act; recent controversies
- 7 regarding utility investments in the retail value chain that structurally foreclose market-driven
- 8 innovation in favor of utility-controlled innovation; the statutory authorities, business model
- 9 and political drivers of CPAs and how they are naturally aligned with the development of market
- frameworks as called for under RSA 53-F; and the anticipated expansion and sophistication of
- 11 New Hampshire's CPA market due to the rapid progress of the Community Power New
- Hampshire joint-action initiative.
- 13 My testimony concludes by recommending that the Commission adopt a market
- 14 framework for governing the statewide data platform, for the sake of facilitating a number of
- 15 reforms necessary to begin aligning New Hampshire's market structure, operational practices
- and utility infrastructure investment decisions with the Electric Utility Restructuring Act.

#### 17 III. Detailed Discussion of the Issues and Proposed Conditions

- 18 Q. How does the establishment of a statewide, multi-use online energy data platform
- relate to The Electric Utility Restructuring Act (RSA 374-F)?
- 20 A. SB 284 was authorized by the Legislature explicitly "in order to accomplish the purposes
- of electric utility restructuring under RSA 374-F" <sup>5</sup> The purposes of RSA 374-F<sup>6</sup> include:

<sup>&</sup>lt;sup>5</sup> Available online: https://legiscan.com/NH/text/SB284/id/2012441/New\_Hampshire-2019-SB284-Amended.html

<sup>&</sup>lt;sup>6</sup> Available online: http://www.gencourt.state.nh.us/rsa/html/XXXIV/374-F/374-F-mrg.htm

1 (1) The "development of competitive markets for wholesale and retail electricity services", 2 "a more efficient industry structure and regulatory framework", and "unbundling of 3 prices and services" as a means to these ends; 4 (2) Consistency with part II, article 83 of the New Hampshire constitution, specifically that 5 "Free and fair competition in the trades and industries is an inherent and essential right of 6 the people and should be protected against all monopolies and conspiracies which tend to 7 hinder or destroy it.", a corresponding reliance on competitive markets to provide 8 "incentives to operate efficiently and cleanly", "new and improved technologies" and 9 "appropriate price signals", so as to "improve public confidence in the electric utility 10 industry"; and 11 (3) The incorporation by reference to fifteen "interdependent policy principles" that were 12 "intended to guide the New Hampshire public utilities commission" — including that the 13 "commission should adapt its administrative processes to make regulation more efficient 14 and to enable competitors to adapt to changes in the market in a timely manner. The 15 market framework for competitive electric service should, to the extent possible, reduce 16 reliance on administrative process." 17 I recommend that the Commission consider the statewide data platform as the backbone 18 of the market framework called for under The Electric Utility Restructuring Act. Expansive, 19 reliable and transparent data interchange and analysis must be sufficient to facilitate the nimble 20 decision-making and rule changes necessary to not unduly delay innovation in market 21 operations, and also sufficient in terms of tracking the range of metrics that the Commission and 22 others should rely upon to analyze and support the performance of the market going forward.

#### Q. How would you characterize the current state of public confidence in the electric

#### utility industry?

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3 A. While it is difficult to provide a definitive or

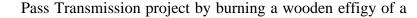
4 comprehensive answer, I can offer relevant observations

regarding Eversource, which is the largest distribution

monopoly in the state, as shown in the graph to the right:

I found it notable that 300 people reportedly gathered

last year to celebrate the rejection of Eversource's Northern



transmission tower. This is a picture from that event,

published in the Union Leader:<sup>7</sup>

I would also direct the Commission to the article

"This Means War", published in December 2019 by Don

Kreis, who leads New Hampshire's Office of Consumer

Advocate ("OCA").

517,319 (72%)

Customers by Distribution Utility

Liberty • Eversource • Unitil • NHEC

81.235

The article pertains to Eversource's investment in retail electric meters and refers to testimony of Paul Alvarez of The Wired Group, a consultancy hired by the OCA. It reads, in part:

"We have a theory about why Eversource made such an imprudent choice, and it is not pretty. By 2013, when [Eversource] made the decision to install meters that could not provide interval usage data, it was clear that such data presented several types of

<sup>&</sup>lt;sup>7</sup> Union Leader, "16-foot effigy of transmission tower burned to celebrate demise of Northern Pass," 18 August 2020. Available online: <a href="https://www.unionleader.com/news/business/energy/16-foot-effigy-of-transmission-tower-burned-to-celebrate-demise-of-northern-pass/article-f3d3e94d-2ffc-598e-8ea6-8f958cfc8e77.html">https://www.unionleader.com/news/business/energy/16-foot-effigy-of-transmission-tower-burned-to-celebrate-demise-of-northern-pass/article-f3d3e94d-2ffc-598e-8ea6-8f958cfc8e77.html</a>

economic harm to [Eversource]," Alvarez testifies. "For example, research indicates that the time-varying rates AMI meters make possible can reduce both system peak demand and energy use. "[Eversource] profits increase when the Company invests in the transmission and distribution infrastructure required to satisfy system peak demand, biasing the Company against time-varying rates and peak-time rebate programs," Alvarez continues. "[Eversource] profits decrease when energy sales volumes fall between rate cases, biasing the Company against the conservation potential offered by AMI meters." Disallowing that \$42 million investment as imprudent would send a message to utility shareholders everywhere that in New Hampshire we expect investor-owned utilities to act in the best interests of their customers if they expect a return on their investment."8 Mr. Alvarez also publishes "Customer Value Rankings" annually that compare "the benefits customers receive from utilities ... to the funds utilities spend, and for which customers must pay". According to a 2017 study published in The Electricity Journal, which was authored by Mr. Alvarez and the National Renewable Energy Laboratory, Eversource's subsidiary Public Service Company of New Hampshire scored relatively low in the ranking: 85<sup>th</sup> out of 102 utilities surveyed. 10 (The utility also came in 91st out of 105 in terms of customer satisfaction in a related survey. 11)

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<sup>&</sup>lt;sup>8</sup> Don Kreis, "This Means War," IndepthNH.org. 21 December 2019. Available online: <a href="http://indepthnh.org/2019/12/21/electric-rate-cases-in-nh-this-means-war/">http://indepthnh.org/2019/12/21/electric-rate-cases-in-nh-this-means-war/</a>

<sup>&</sup>lt;sup>9</sup> Available online: <a href="http://www.utilityevaluator.com/customer-value-rankings.html">http://www.utilityevaluator.com/customer-value-rankings.html</a>

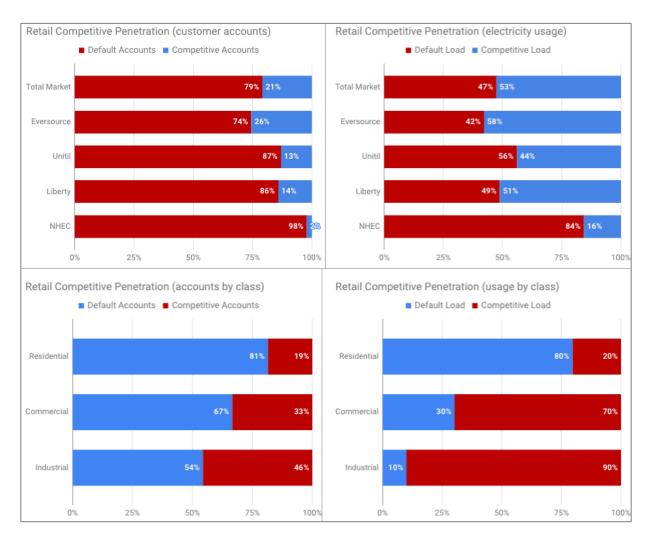
<sup>&</sup>lt;sup>10</sup>Paul Alvarez and Sean Ericson, "Measuring distribution performance? Benchmarking warrants your attention", The Electricity Journal (31, 2018). Available online:

 $<sup>\</sup>frac{\text{https://nebula.wsimg.com/aeda0aa942afd82b7b05f3bc8bdfd83c?AccessKeyId=490265DE4F8DABB7CA08\&disposition=0\&all\ ownrigin=1}{\text{ownrigin}}$ 

 $<sup>^{11}</sup> The \ Wired \ Group, "2018 \ Customer \ Satisfaction \ Survey". \ Available \ online: \\ \underline{https://nebula.wsimg.com/e63753ee4a7d49577733972d88958b86?Access KeyId=490265DE4F8DABB7CA08\&disposition=0\&alloworigin=1 \\ \underline{lloworigin=1}$ 

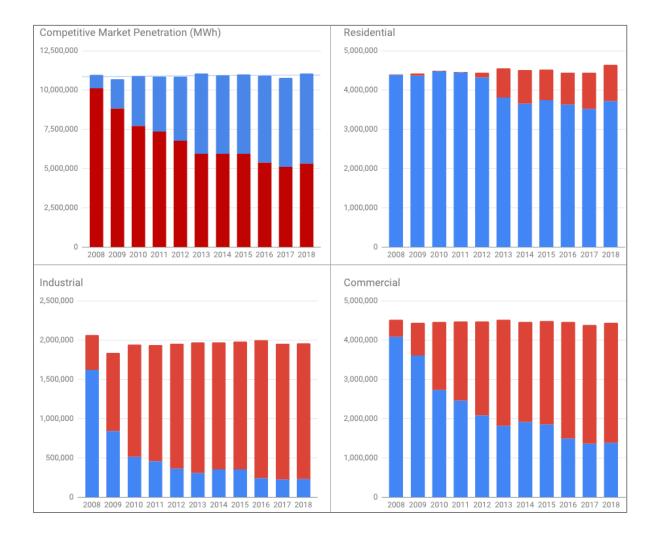
<sup>&</sup>lt;sup>12</sup> Ridgefields' HamletHub, "State Rep. John Frey Calls for Eversource to be Dismantled", 10 August 2020. Available online: <a href="https://news.hamlethub.com/ridgefield/life/67277-state-rep-john-frey-calls-for-eversource-to-be-dismantled">https://news.hamlethub.com/ridgefield/life/67277-state-rep-john-frey-calls-for-eversource-to-be-dismantled</a>

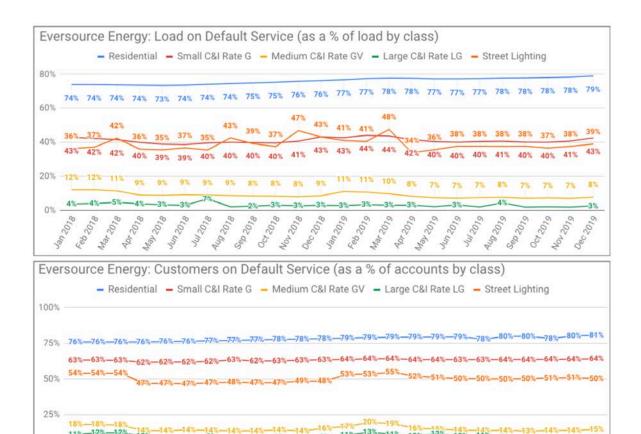
- retail competition and foreclose retail innovation and choice in services for the majority of customers.
- Moreover, it appears that almost all decision-making is still carried out through
- 4 administrative procedures and not through a transparent and responsive "market framework" that
- 5 would "enable competitors to adapt to changes in the market in a timely manner" as called for
- 6 under RSA 374-F.
- 7 The lack of a holistic, responsive and market-based decision-making framework means
- 8 that decisions regarding the functionality of the retail market remain heavily, and almost
- 9 certainly unduly, mediated by the monopoly distribution utilities.
- 10 Q. What is the current state of retail market competition in New Hampshire?
- 11 **A.** Approximately four out of five customers remain on default service provided by the
- distribution utilities, while the customers on competitive supply account for about half of total
- electricity usage. Based on EIA 861 datasets from 2018, I have prepared the following graphs to
- show the penetration of retail market competition by utility:



- 2 There are also 143 registered aggregators listed on the Commission's website. 13 These
- 3 entities do not take title to power, but rather act as energy advisors and brokers to customers.
- 4 Despite this, New Hampshire's competitive retail market appears to have seen little growth since
- 5 approximately 2013. The graphs below, prepared based on EIA 861 datasets for 2008 through
- 6 2018 along with more recent quarterly migration reports for Eversource specifically, show the
- 7 extent of the competitive retail market overall and by customer sector:

<sup>&</sup>lt;sup>13</sup> Website available online: <a href="https://www.puc.nh.gov/Consumer/Aggregators.html">https://www.puc.nh.gov/Consumer/Aggregators.html</a>

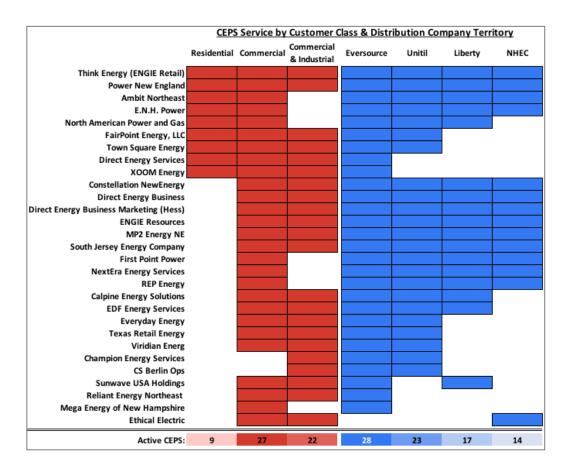




2 Competition appears weak within the small commercial class and particularly anemic in

- 3 the residential sector. The table below, based on data from the PUC's website, <sup>14</sup> shows the 29
- 4 Competitive Electric Power Supplier ("CEPS") actively offering service to different customer
- 5 classes across the four distribution utility territories open to customer choice:

<sup>&</sup>lt;sup>14</sup> Website available online: https://www.puc.state.nh.us/Consumer/Residential%20Suppliers.html



2 Apparently, out of the 29 CEPS currently offering service in New Hampshire, only 9

- 3 offer service to residential customers and only 4 of those serve all four distribution utility
- 4 territories. Only 2 CEPS offer service to all customer classes across all utilities.

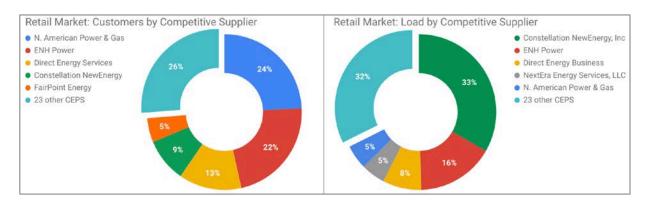
- 5 Based on EIA 861 datasets, the charts below show the market share of the 28 CEPS
- 6 serving customers in 2018 along with two metrics to measure market power and concentration:
- 7 the Herfindahl-Hirschman Index (HHI score) and concentration ratio of the 3 largest CEPS based
- 8 on their percentage of load served (CR3). Note that 2018 market share and CR3 are calculated

#### 1 relative to the active retail market (i.e. excluding customers on default service from the

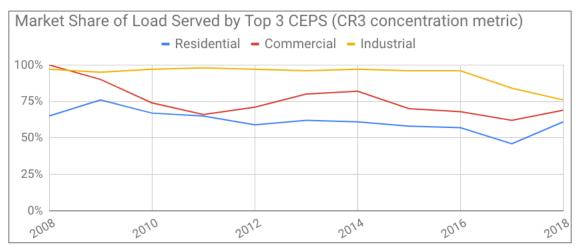
#### 2 baseline).<sup>15</sup>

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<sup>&</sup>lt;sup>15</sup> Also note that Constellation NewEnergy and Constellation Energy Services were combined in certain years, as they were formally combined in 2017. See online here: <a href="https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-869/LETTERS-MEMOS-TARIFFS/16-869">https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-869/LETTERS-MEMOS-TARIFFS/16-869</a> 2017-09-05 CES NOTICE MATERIAL CHANGE.PDF

- 1 In terms of the market's overall performance relative to other states in terms of price
- 2 changes, the chart below is taken from the Retail Energy Supply Association (based upon EIA
- 3 861 data and covers the period 2008 through 2019):

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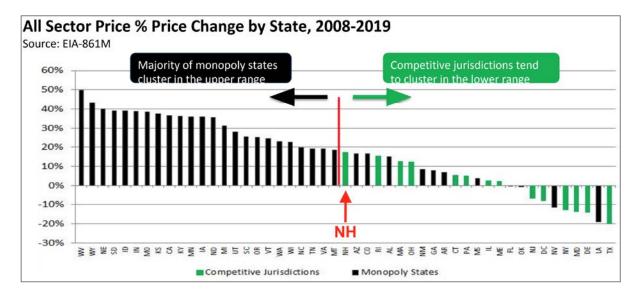
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5 Q. What other metrics are used to track the maturity of retail energy markets?

6 A. The Texas ERCOT market tracks the number of retailers and number of products offered,

distinguishing between residential and non-household sectors, retail price trends compared to

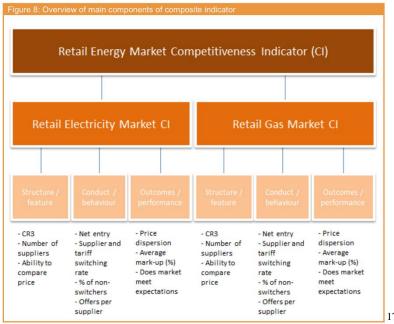
their last regulated rate, unique visitors to the "Power to Choose" website (a one-stop shopping

portal), and the number and tenor of complains overall and by retailer. These are reported to their

Legislature in annual "Scope of Competition in Electric Markets in Texas" reports. 16

European state regulators have been collaborating for over a decade to harmonize market structures that promote retail competition and have developed more granular metrics to do so that take into account the diversity of member state market structures and enabling infrastructure (e.g. smart meters). Below is a useful, if somewhat dated, high-level graphic in this regard:

<sup>&</sup>lt;sup>16</sup> Website available online: https://www.puc.texas.gov/industry/electric/reports/scope/Default.aspx



The Council of European Regulators

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The Council of European Regulators (CEER) developed a joint roadmap and framework

- 3 to evolve and harmonize mature retail energy markets across states by 2025. Their annual "self-
- 4 assessment reports" summarize key market properties, metrics and gap analyses across states.
- 5 The "8 key properties critical for a well-functioning market" identified are described as: 18
  - Low concentration within a relevant market where, in general, a high number of suppliers and a low market concentration are seen as one of the indicators of a competitive market structure.
    - Low market-entry barriers in order to facilitate market entry and growth for new
      market actors (i.e. suppliers and third parties) as well as innovation (including demand
      response).

<sup>&</sup>lt;sup>17</sup> IPA Advisory Limited, "Ranking the Competitiveness of Retail Electricity and Gas Markets: A proposed methodology," Agency for the Cooperation of Energy Regulators. 4 September 2015. Available online: <a href="https://www.acer.europa.eu/en/Electricity/Market%20monitoring/Documents\_Public/IPA%20Final%20Report.pdf">https://www.acer.europa.eu/en/Electricity/Market%20monitoring/Documents\_Public/IPA%20Final%20Report.pdf</a>
<sup>18</sup> "CEER Roadmap to 2025 Well-Functioning Retail Energy Markets: 2018 Self-Assessment Status Report", Council of European Energy Regulators. 30 October 2019. Available online: <a href="https://www.ceer.eu/documents/104400/-/-89206356-85ff-9977-1ba9-3a8262fe00e3">https://www.ceer.eu/documents/104400/-/-89206356-85ff-9977-1ba9-3a8262fe00e3</a>

• A close relationship between wholesale markets and retail prices to ensure that

consumers receive correct price signals, which is an important incentive for demand

response. In addition, the mark-up between wholesale and retail prices reveals whether

consumers are paying a fair price.

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- A range of offers, including demand response. In a well-functioning market retailers' ability to offer a significant number of commercial options is coupled with consumers' ability to compare the offers and take informed decisions.
- A high level of awareness and trust, which is an important precondition for consumer participation.
  - The availability of empowerment tools such as a verified price comparison tool, historical consumption data and a standardized supplier switching process.
  - Sufficient consumer engagement where switches, renegotiations and prosumers are assessed on a yearly basis. In general, a well-functioning market is one in which a significant number of consumers engage with the market on a regular basis.
  - Appropriate protection: In well-functioning retail energy markets, consumers enjoy an
    appropriate level of protection and there are specific measures to protect those defined as
    vulnerable customers
- The 25 metrics used to track progress within each of the 8 key properties above are summarized in the table below:<sup>19</sup>

<sup>19 &</sup>quot;CEER Roadmap to 2025 Well-Functioning Retail Energy Markets: 2018 Self-Assessment Status Report", Council of European Energy Regulators. 30 October 2019. Available online: https://www.ceer.eu/documents/104400/-/-/89206356-85ff-9977-1ba9-3a8262fe00e3

### Q. How are fully restructured markets governed in practice?

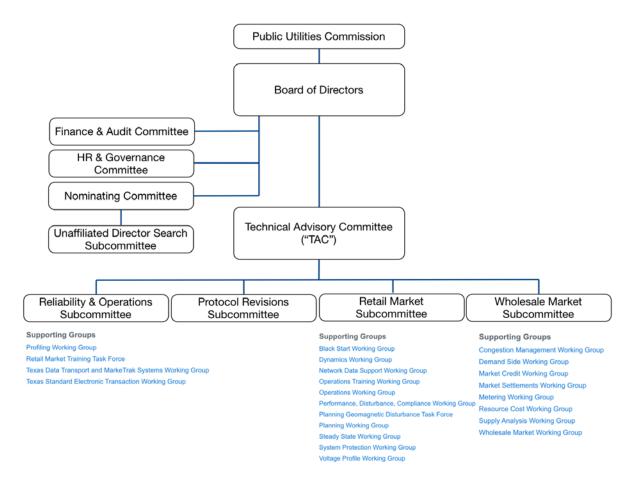
- 3 A. Fully restructured markets rely on a market-based institutional decision-making
- 4 framework to replace retail regulation (administrative regimes) wherever appropriate to do so.
- 5 Governance is structured as a participatory process within which market participants act
- 6 in a collaborative fashion, overseeing the necessary business processes and change management
- 7 protocols to ensure that the functions previously performed by distribution utilities are carried
- 8 out by non-utility entities in an optimal fashion. Data sharing and transparency is, of course, a
- 9 necessary and foundational component of a market-based governance regime (more so than
- under political regimes e.g. retail regulation).

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- 1 The Texas ERCOT market provides an example of a market framework governance regime:
- The ERCOT Board of Directors is a "16-member "hybrid" board consisting of:
- 3 independent members (unaffiliated with the power industry), consumers and
- 4 representatives from industry market segments"<sup>20</sup> that meets every month.
- The Technical Advisory Committee (TAC) is similarly constituted and "makes
- 6 recommendations to the board regarding ERCOT policies and procedures and is
- 7 responsible for prioritizing projects through the protocol revision request, system change
- 8 request and guide revision processes."<sup>21</sup>
- There are four main subcommittees that report to the TAC (Protocol Revisions,
- Reliability and Operations, Retail Market and Wholesale Market), and a number of
- working groups and task forces that form as needed to inform decision-making on more
- targeted issues.
- I have prepared the organization chart below based on a survey of ERCOT's website,
- which provides substantial training materials, meeting notices and records, committee and
- subcommittee governance documents and membership lists, and a complete set of market rules
- and operating procedures (such as guides for commercial operations, data transport, load
- profiling, etc., and Standard Electronic Transaction "swimlanes", which are reference documents
- outlining the business process lifecycle for retail market transactions):

<sup>&</sup>lt;sup>20</sup> Website available online: <a href="http://www.ercot.com/committee/board">http://www.ercot.com/committee/board</a>

<sup>&</sup>lt;sup>21</sup> Website available online: <a href="http://www.ercot.com/committee/tac">http://www.ercot.com/committee/tac</a>



- 2 Below is a table showing the current Technical Advisory Committee members
- 3 representing each "customer segment": 22

Consumer	Residential: Shawnee Claiborn-Pinto – OPUC Residential: Eric Goff Commercial: Phillip Boyd – City of Lewisville Commercial: Chris Brewster – City of Eastland Industrial: Garrett Kent – CMC Steel Texas Industrial: Bill Smith – Air Liquide	
Cooperative	John Dumas – Lower Colorado River Authority Clif Lange – South Texas Electric Cooperative Roy True – Brazos Electric Power Cooperative Michael Wise – Golden Spread Electric Cooperative	
Independent Generator	Bob Helton – Engie North America Ian Haley – Luminant Generation Colin Meehan – First Solar Bryan Sams – Calpine Corporation	
Independent Power Marketer	Kevin Bunch – EDF Trading North America Jeremy Carpenter – Tenaska Power Services	

<sup>&</sup>lt;sup>22</sup> Document available online:

http://www.ercot.com/content/wcm/key\_documents\_lists/27308/2020\_Segment\_Representatives.TAC.June.doc

Independent Retail Electric Provider	Clayton Greer – Morgan Stanley Resmi Surendran – Shell Energy North America  Bill Barnes – Reliant Energy Retail Services Eric Blakey – Just Energy Texas Sandy Morris – Direct Energy Shannon McClendon – Demand Control 2
Investor Owned Utility	Walter Bartel – CenterPoint Energy Collin Martin – Oncor Electric Delivery Keith Nix – Texas-New Mexico Power Company Richard Ross – AEP Service Corporation
Municipal	Dan Bailey – Garland Power and Light Jose Gaytan – Denton Municipal Electric Alicia Loving – Austin Energy David Kee – CPS Energy

1 The key takeaway is that governance over the market framework must be structured in a 2 manner to leverage and be responsive to the collective insights and requirements of market 3 participants, which are naturally focused on assessing and removing barriers to operational 4 efficiencies. This type of governance regime, in my opinion, is the foundation upon which 5 market rules and enabling infrastructure investment decisions should be made in order to 6 successfully promote decentralized coordination and market-based innovation. 7 0. What are the key functional characteristics of a "fully restructured" market? 8 A. Broadly speaking, the purpose of any market is to allow entities that compete with one 9

another to offer customers new products and services that efficiently balance supply and demand and create surplus value for society. Successful markets ensure that competitors have low barriers to entry, that common information and communication technology supports broad-based market innovation, that customers are both free to choose new products and services and protected from predatory behavior, and that particularly vulnerable customers are provided relief from acute hardship.

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In the electric power sector, utilities perform a network function (connecting supply and demand) by operating the physical platform (the distribution grid) that delivers power to, from

Page 24 of 44.

and across retail customers. It is both a natural monopoly and a horizontal segment, in that it is

2 the bridge between the wholesale power grid and retail customers, within which unchecked

monopoly power could easily foreclose retail market competition; consequently, it is a service

4 regulated by the state.

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This physical platform must be complemented with a market platform that facilitates transactions between the wholesale generation market, the distribution utility, and the non-utility entities that serve retail customers and manage portfolios of distributed energy resources.

The generic objective of the market platform is to ensure that non-utility entities have low barriers to entry and are able to engage in "permissionless" innovation — particularly valuable in the current context of rapid technological change<sup>23</sup> — competing against one another to induce retail customers to choose new products and services that accurately reflect system costs and risk drivers, and which balance supply and demand more cost-effectively in relation to wholesale market dynamics and network constraints — and to do so in standardized fashion, regardless of which distribution utility happens to serve a given customer.

The practical process of such retail product innovation<sup>24</sup> requires non-utility entities to perform a linear and inter-related sequence of steps across the "retail value chain", which refers to the infrastructure and business processes that span customer-facing functions (metering, data management, rate structures, billing and customer engagement) and flow into wholesale market and network integration functions (e.g. settlement profile construction, non-utility consolidated billing protocols, interconnection standards, ADMS / DERMs integrations, etc.).

<sup>&</sup>lt;sup>23</sup> Refer to Lynne Kiesling and Michael Giberson, "The need for electricity retail market reforms," Regulation. Fall 2017. Available online: <a href="https://www.cato.org/sites/cato.org/files/serials/files/regulation/2017/9/regulation-v40n3-4.pdf">https://www.cato.org/sites/cato.org/files/serials/files/regulation/2017/9/regulation-v40n3-4.pdf</a>.

<sup>&</sup>lt;sup>24</sup> For a list of innovative retail products, refer to page 25 of this report: Dr. Philip R. O'Connor, "Restructuring Recharged," Retail Energy Supply Association. April 2017. Available online: https://www.resausa.org/sites/default/files/RESA\_Restructuring\_Recharged\_White% 20Paper\_0.pdf.

- To illustrate these concepts, I have prepared a simple diagram<sup>25</sup> showing the inter-related
- 2 nature of the retail value chain, market structure and system integrations along with the impact
- 3 on retail product innovation. It is a "hierarchy of barriers" to be read from left to right:

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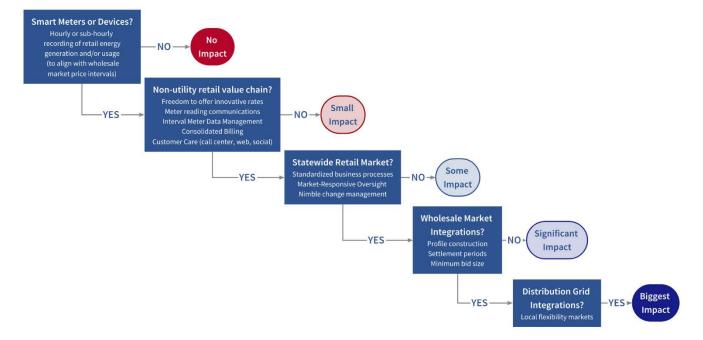
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Any barrier or non-alignment in the different functions that comprise the retail value chain will foreclose (preclude or raise the cost of) market innovation, as a problem in one step will cause unintended consequences or fully block progress in other steps. Thus, in a restructured market, monopoly power is carefully "quarantined" such that distribution utilities are "wires only" network companies that have little to no direct role in or control over the retail value chain and thus do not engage directly with customers, apart from receiving outage calls and interconnection requests.

In unbundling these functions from distribution utility service, regulators may choose to standardize enabling infrastructure directly through regulated (that is, socialized) investments.

<sup>&</sup>lt;sup>25</sup> Based upon a similar diagram in the 2017 NordREG report "Flexible demand for electricity and power: Barriers and opportunities", available online: <a href="http://norden.diva-portal.org/smash/get/diva2:1167837/FULLTEXT01.pdf">http://norden.diva-portal.org/smash/get/diva2:1167837/FULLTEXT01.pdf</a>.

2 infrastructure. For example, regulators in the Texas ERCOT market chose to direct distribution 3 utilities to deploy AMI smart meters that record retail customer usage in 15-minute intervals, 4 which aligns with the wholesale market price intervals. The interval data generated is sent by 5 distribution utilities directly to the market operator for load settlements each trading day and also posted to the Smart Meter Texas<sup>26</sup> data platform for use by each customers' retailer (without 6 7 requiring separate customer authorizations, as the market operator tracks customer switching) for 8 load forecast submissions to the wholesale market operator and other such applications, as well 9 as to various non-utility entities (with explicit customer authorization). 10 In Europe, CEER has established frameworks and guiding principles regarding the management of customer data for the purpose of encouraging competitive retail markets,<sup>27</sup> and 11 12 various European countries have established data platforms similar to ERCOT in terms of data 13 interchange and business processes, such as Denmark's Energinet data hub: 14 "The purpose of the data hub is to ensure uniform communication methods and standardized processes for market participants in a non-discriminatory, objective and 15

Smart Meters and data platforms are a prime example of such common, market-enabling

transparent way so as to create relatively low market entry barriers. All metering data an all necessary information for settlement purposes, e.g. electricity taxes and network tariffs, are collected in the data hub. Furthermore, the process of, for example, supplier switching, is handled in the data hub. The detailed requirements, rights and obligations of the relevant market participants in terms of the data hub, and thereby also the

<sup>&</sup>lt;sup>26</sup>Website available online: <a href="https://www.smartmetertexas.com/aboutus">https://www.smartmetertexas.com/aboutus</a>

<sup>&</sup>lt;sup>27</sup> Council of European Energy Regulators, "CEER Advice on Customer Data Management for Better Retail Market Functioning", 19 March 2015. Available online: <a href="https://www.ceer.eu/documents/104400/-/-/dbcc2cb1-5035-3a5e-6ba8-59de0d60915c">https://www.ceer.eu/documents/104400/-/-/dbcc2cb1-5035-3a5e-6ba8-59de0d60915c</a>

functionalities of the data hub, are set in regulations issued by Energinet within the
framework of the Danish Electricity Supply Act."<sup>28</sup>

Alternatively, markets may establish standardized technical requirements for such
infrastructure and processes for non-utility entities to adhere to in the provision of services. For
example, the Australian Energy Market Operator has established "Meter Data Management
Procedures"<sup>29</sup> and a "Guide to the Role of the Metering Coordinator".<sup>30</sup>

I have prepared the following table, based off of the Brattle Group's 2018 report

8 "International Experiences in Retail Electricity Markets," to show how various organized
9 electricity markets rely on market entities or regulated utilities to perform select retail value
10 chain functions:<sup>31</sup>

<sup>&</sup>lt;sup>28</sup> Council of European Energy Regulators, "Roadmap 2018 Self-Assessment Status Report", at p. 22/74available online: https://www.ceer.eu/documents/104400/-/-/89206356-85ff-9977-1ba9-3a8262fe00e3.

<sup>&</sup>lt;sup>29</sup> AEMO, "MSATS PROCEDURE: MDM PROCEDURES", 1 December 2017. Available online: <a href="https://www.aemo.com.au/media/Files/Electricity/NEM/Retail">https://www.aemo.com.au/media/Files/Electricity/NEM/Retail</a> and Metering/Market Settlement And Transfer Solutions/2017/MSATS-Procedures-MDM-Procedure-V33.pdf.

<sup>&</sup>lt;sup>30</sup> AEMO, "GUIDE TO THE ROLE OF THE METERING COORDINATOR", 1 December 2017. Available online: <a href="https://www.aemo.com.au/-/media/Files/Electricity/NEM/Retail">https://www.aemo.com.au/-/media/Files/Electricity/NEM/Retail</a> and Metering/Accreditation/Guide-to-role-of-Metering-Coordinator.pdf.

<sup>&</sup>lt;sup>31</sup>The Brattle Group, "International Experiences in Retail Electricity Markets: Consumer Issues", The Australian Competition and Consumer Commission. June 2018. Available online: <a href="https://brattlefiles.blob.core.windows.net/files/14257\_appendix\_11\_- the\_brattle\_group\_-international\_experiences\_in\_retail\_el\_\_.pdf">https://brattlefiles.blob.core.windows.net/files/14257\_appendix\_11\_- the\_brattle\_group\_-international\_experiences\_in\_retail\_el\_\_.pdf</a>.



Status of Enabling Market Services for Residential Customers

- Fully restructured markets naturally rely on competitive entities to provide default service
- 3 to customers, though the extent to which regulatory oversight over how the competitive market
- 4 sets the default rates varies by jurisdiction. The table below is also based off of the
- 5 aforementioned Brattle Group report:

Market Survey: Oversight of Default Supply Prices

Market	Transitioning	Regulators	
Texas*	United Kingdom	Pennsylvania**	
Australia (NEM)	Italy	New York***	
Germany	Netherlands	Illinois***	
New Zealand		France	

<sup>\*</sup>Competitive Retailers provide default supply

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Q. How would you characterize New Hampshire's current retail market structure?

<sup>\*\*</sup>Distribution Utilities provide default supply

<sup>\*\*\*</sup>Default Supply transitions to Market / Community Power (customers may opt-back to Regulators / Distribution Utilities)

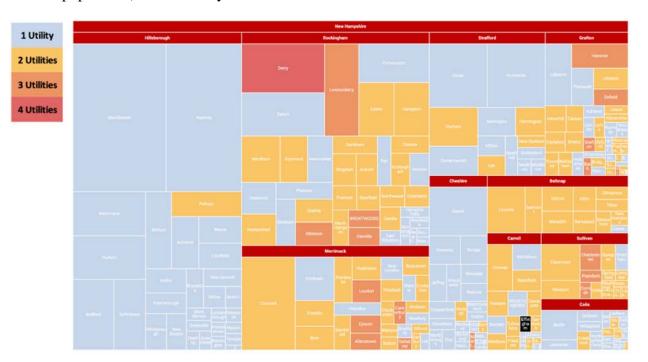
Each distribution utility has been left responsible for default retail service, and therefore left in control of the retail value chain for most customers in their respective territories; each has differential capabilities and business processes in regard to the retail value chain (i.e. metering, meter reading, meter data management, billing systems, customer information management systems, call centers, local program administration, load forecasting and settlement profile construction, etc.).

The retail market remains operationally fragmented as a consequence, balkanized by utility territory instead of unified across the natural boundaries of the state. To visualize this aspect of the market structure I have prepared the heat map graphic below, in which each

rectangle is a municipality sized by number of housing unit and grouped by county (i.e. under the

red headings). As context, 116 of New Hampshire's 246 municipalities (47% of municipalities,

and 42% of the population) are served by two or more distribution utilities:



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On an individual utility basis, my impression is that there are a number of long-standing and inter-related inefficiencies that have reinforced one another in maintaining this administrative and structural regime. My general observations are as follows:

- Universal service has long-accustomed distribution utilities in general to view customers
  on an aggregate basis, and to allocate their resources accordingly investing in
  metering, billing, customer care systems and associated staffing resources designed to
  manage the vast majority of customers as large, homogenous groups that do not require
  differential and customized retail services.
  - This aggregate approach to customer portfolio management appears reinforced by the manner in which distribution utilities have been relied upon to provide default electricity supply to customers: under a nonselective wholesale portfolio strategy that simply procures fixed-price, load following supply for customer classes under short-term (e.g. 6-month) contracts. This strategy transfers all market price and swing risk throughout the contract term onto suppliers, which must price and embed the risk as a premium into supply costs (i.e. without regard to how retail customers could be engaged and incentivized to shift usage to lower-price market intervals and outside of capacity-constrained periods e.g. by using devices such as smart thermostats, water heater switches, storage systems, etc. coupled with predictive intelligence to shape demand).
- The distribution utilities' retail value chain has continued to be largely aligned with this nonselective procurement strategy: the utility is charged for electricity regardless of the market price or customer usage is at a given moment, passes through these charges to customers in a similar fashion, and has little incentive to modernize its retail value chain

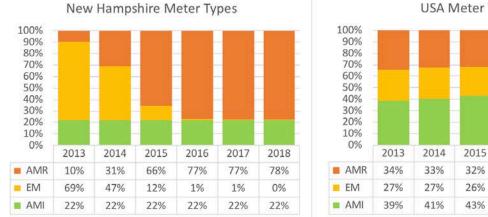
(meters, communications, data management, billing and customer information systems, etc.) or associated wholesale processes (profile construction, load forecasting, market settlements, etc.). The usage of most default service customers is not individually recorded on an hourly or sub-hourly basis, but once a month — the utility load forecasting and settlement relies on statistically-derived load "profiles" that approximate what customers within a class are using, in aggregate and on average within a given hourly, and calibrated with upstream measurements of actual electricity flow (i.e. at substations).

- In this fashion, the current regime reinforces an unnatural separation of horizontal segments (wholesale and retail) that are actually highly interdependent, should be treated as such, and which require common enabling infrastructure and a market framework to reconnect in order to for market participants to allocate capital and manage costs more efficiently. This continued separation has foreclosed market driven innovation in promoting and integrating customer technologies,
- In this fashion, regulated utility default service appears to function in a way that *maintains* the unnatural separation of interdependent horizontal segments, and thus *elevates* risk, cost and capacity investments for customers. In essence, all customers pay more because certain customers are fundamentally driving up costs above the level they otherwise would, if they were more actively engaged and provided with innovative retail services and technologies to assist them in modifying their usage to minimize wholesale cost/risk and infrastructure investments for peak generation, transmission and distribution network capacity (for themselves, and thus the entire customer portfolio).

The procurement strategy and retail value chain dynamics described above ignore the					
customer value that could be created on an individual retail customer and portfolio basis through					
a unified and competitive market framework. In my opinion, these structures, along with the					
administrative decision-making process and general perspective held by most stakeholders					
involved in those processes, collectively poses high barriers to the development of a competitive					
retail market in New Hampshire to serve the remaining four-fifths of customers.					
Q. Have distribution utilities' recent investment decisions in the retail value chain					
hindered or supported the development of a competitive retail market?					
<b>A.</b> I believe that distribution utilities' recent investment decisions in the retail value chain					
have hindered the development of a competitive retail market.					
To take one example, Eversource is currently defending its decision to upgrade its retail					
customer meters and associated data management, billing and customer information systems.					
They have done so in a manner that precludes the collection and dissemination of hourly or sub-					
hourly retail meter usage data, which the competitive market needs in order to cost-effectively					
create innovative retail products that reflect cost-risk drivers on the wholesale market and other					
horizontal segments of the electricity industry (e.g. generation, transmission and distribution					
network capacity constraints). Based off of their investment decision, the competitive market for					
most customers is constrained to settling load based on generic, class-average profiles, which					
forecloses innovation that would otherwise help individual customers (and thus in aggregate, the					
state as a whole) help to manage their energy costs and risks.					
What I find most notable in this process is that, as Commission staff noted, Eversource					
began these upgrades based on its own internal evaluation and only informed the Commission					

- after the infrastructure deployment had commenced.<sup>32</sup> In response to criticism that they should 1
- 2 have installed a "smart meter" system capable of supporting interval data collection and thus
- 3 market innovation, Eversource defended their decision by claiming that other investor owned
- utilities had made similar decisions that year (in 2012), and cited a Green Tech Media news 4
- 5 article that "concluded that AMI or smart meter deployment was on a downward trend, due to a
- lack of stimulus funding to help cover the costs of AMI deployment."<sup>33</sup> 6
- 7 As context, I have prepared the following tables based on EIA 861 data showing the
- 8 installation of smart meters ("AMI") compared to the meters Eversource installed ("AMR") to
- 9 replace electro-mechanical meters ("EM") over the period 2013 through 2018 — in New
- 10 Hampshire and for the country overall:

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Eversource's decision stands in contrast to the direction of its peers across the industry —

notwithstanding their cherry-picking of examples and a speculative news article to the contrary.

<sup>&</sup>lt;sup>32</sup> DOCKET NO. DE 19-057, "Direct Testimony of Richard Chagnon", 20 December 2019. At p. 31-32. Available online: https://www.puc.nh.gov/Regulatory/Docketbk/2019/19-057/TESTIMONY/19-057\_2019-12-23 STAFF TESTIMONY CHAGNON.PDF

<sup>&</sup>lt;sup>33</sup> Docket No. DE 19-057, "Rebuttal Testimony of Penelope McLean Connor", 3 March 2020. At pp. 17-18. Available online: <a href="https://www.puc.nh.gov/Regulatory/Docketbk/2019/19-057/TESTIMONY/19-057">https://www.puc.nh.gov/Regulatory/Docketbk/2019/19-057/TESTIMONY/19-057</a> 2020-03-04 EVERSOURCE REBUTTAL TESTIMONY CONNER.PDF

- 1 Regarding the impact this decision had on the development of retail product innovation,
- 2 Eversource defended its decision by stating: "Further, it was reasonable to move forward with
- 3 the AMR initiative because it takes time for new rates to incent behavior and it was unclear at the
- time whether the ultimate solution could be more dynamic than time-varying rates ("TVR"). 4
- 5 Today, Eversource can accomplish peak load reduction without TVR, and with the maturation of
- 6 demand management programs, such rates are not necessary to support customer participation in
- 7 these programs."34
- 8 What this situation demonstrates to me is that, under New Hampshire's current
- 9 governance framework, a monopoly distribution utility was allowed to unilaterally decide to
- 10 invest in infrastructure that structurally foreclosed competitive retail market customer
- 11 engagement and product innovation in favor of retail products and programs controlled by the
- 12 utility directly — which necessarily must be governed through administrative proceedings.
- 13 I consider this to be anti-competitive behavior, carried out in the most structural way
- 14 imaginable and without knowledge or permission of the Commission or market participants who
- 15 should rightly have been fully engaged throughout the evaluation process.
- 16 Q. Do you expect that Community Power Aggregators will help to fully implement
- 17 RSA 374-F?
- 18 Yes, I expect Community Power Aggregators ("CPAs") will play a critical role in fully Α.
- 19 implementing RSA 374-F, both directly in carrying out their functions in the market and by
- 20 advocating for rule changes and utility investment decisions that support the creation of a
- 21 unified, innovative and competitive retail market.

<sup>&</sup>lt;sup>34</sup> Ibid., at p. 4.

- 1 Under RSA 53-E, CPAs can become the default provider of competitive electricity service
- 2 to retail electric customers. The retail value chain functions naturally fall within that
- 3 responsibility, and my understanding is that CPAs have unique statutory authority to assume
- 4 direct control or meaningful oversight of these functions:
- Electricity meter specifications and ownership, the alternate use of comparable
- 6 intelligent monitoring devices, and the associated Information and Communications
- 7 Infrastructure (ICT);
- Technical and business process requirements to use data in market operations
- 9 (profiling, forecasting and settlements) and capacity cost allocations;
- Customer Information Systems (CIS) and customer care functions (apart from reporting
- outages and responding to interconnection requests, which would remain within the
- distribution utilities' natural domain);
- CPA consolidated billing:
- Local programs.
- 15 CPAs are competitive energy agencies that are overseen by communities. To perform
- their core operational functions, CPAs integrate different service providers and advisors that
- have evolved insights, platforms and institutional capacity in competitive markets, and employ a
- 18 limited number of expert staff and independent advisors to ensure sufficient oversight and
- 19 strategic direction. CPAs are thus a mechanism to rapidly expand the scope of competitive third-
- 20 party expertise operating within a given market, to transfer such knowledge to the communities
- 21 involved, and to bring these perspectives to bear on decision-making at the local and state levels.

1 The business model of a CPA is that of an aggregator, <sup>35</sup> which "acts as an intermediary 2 between electricity end-users and [distributed energy resource] owners and the power system 3 participants who wish to serve these end-users or exploit the services provided by these [distributed energy resources]."36 4 5 The business model of an aggregator is predicated on maximizing customer value, which 6 requires considering and optimizing how individual customers use energy and the value they 7 place on different products to meet their underlying needs (the customer's total energy value 8 chain), creating new retail products, executing on customer engagement and education, 9 facilitating project financing and development, and thereafter intelligently managing the 10 customer relationship and integration of distributed energy resources into retail, wholesale and 11 network markets to maximize the creation of value. 12 This task is beyond the capacity of any one enterprise, particularly given factors such as: 13 the size and diversity of a CPAs customer portfolio, the pace at which technologies and 14 consumer preferences are evolving, increasing opportunities for distributed energy resources, 15 onsite storage and fuel-switching (e.g. beneficial electrification) that entail complex valuations 16 and technology configurations, and so on. 17 As a consequence, the natural role of a CPAs is to position itself as a form of 'network 18 manager' and 'aggregator of aggregators': connecting its customers to innovative companies that 19 specialize in engaging customers and offering new technologies and enabling services, and then

facilitating the necessary 'behind the scenes' processes and transactions required to integrate

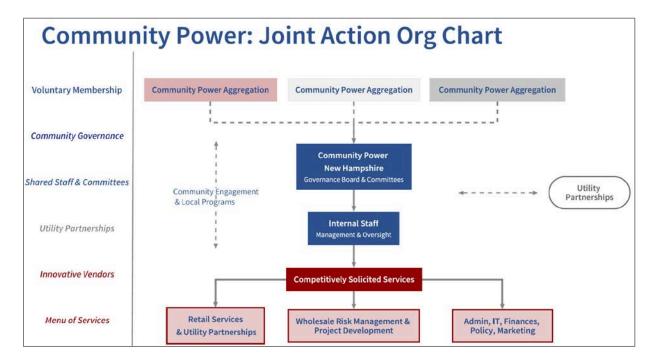
<sup>&</sup>lt;sup>35</sup> Note that this term is a generic industry term, not to be conflated with the specific definition under PUC 2000. <sup>36</sup> Scott Burger et al., "A Review of the Value of Aggregators in Electricity Systems", MIT CEEPR. January 2016. Available online: http://ceepr.mit.edu/files/papers/2016-001.pdf

- these assets into portfolio risk management, power market operations, and system planning (and
- 2 monetize them to the maximum degree possible).
- 3 CPAs are also naturally incentivized to lower wholesale cost and risk by unlocking retail
- 4 demand flexibility and the intelligent management of distributed energy in new ways (i.e. in
- 5 ways that incumbents are either unwilling or unable to do), because CPAs launch with no pre-
- 6 existing assets and must therefore construct a wholesale book and portfolio strategy aligned with
- 7 their retail usage profile.

- 8 Thus, active management of the CPA's retail cost / risk profile unlocks a source of
- 9 competitive advantage, creating new value for individual customers and the aggregation overall.
- 10 The practical process of doing so creates mutually beneficial relationships between the CPA and
- the third-party innovators relied upon to create new customer products:
- CPAs are able to capture a portion of the customer value created, strengthen customer
- relationships and brand recognition, lower costs and risks for the customer base overall
- 14 (customer portfolio value) and gain competitive insights into evolving technology
- applications and market dynamics in ways that far exceed their internal capacity.
- Innovative energy companies gain new market opportunities, and a partner that has both
- the political legitimacy, technical knowledge and financial incentives to help the market
- function more efficiently over time. For example:
  - CPAs are able to make decisions locally and rapidly to refine products and operations in
- 20 response to market feedback and evolving dynamics;
- CPAs also can work over the longer-term with utilities, regulators and other stakeholders
- 22 to modernize infrastructure, market processes and regulations.

1	In both cases, CPAs bring a valuable operational perspective that understands the types of				
2	competitive services that customers and communities want, and the evolving state of the				
3	commercial landscape.				
4	CPAs can also create new value by leveraging their customer, community and inter-				
5	governmental knowledge and relationships to accelerate market opportunities and drive down				
6	transaction costs in unique ways. For example, by electrifying entire public transit fleets, or				
7	adopting reach codes and educating contractor networks to speed adoption of new technologies,				
8	and in numerous other ways that reflect local preferences.				
9	The 'network manager' role of CPAs also leads to value creation on the grid				
10	infrastructure side of the business, as CPAs are naturally incentivized to aggregate grid-edge				
11	assets and encourage the development of new transactions and products with distribution utilities				
12	to manage local grid constraints and reduce stress on grid assets (to defer replacements and				
13	expansions).				
14	Lastly, aggregators naturally seek economies of scale and scope in order to lower the				
15	transactional costs associated with all of the above aforementioned activities. This encourages				
16	the formation of Joint Powers Authorities (also allowed under RSA 53-E), wherein multiple				
17	CPAs join together to share various services and programs deployed over their combined				
18	territories.				
19	In these ways, the statutory authorities, business model and political drivers of CPAs are				
20	naturally aligned with the development of market frameworks as called for under RSA 53-F.				
21	Q. On what timeline and manner do you expect the Community Power Aggregation				
22	market to develop in New Hampshire?				

- 1 A. Assuming that the Commission authorizes the full authorities of CPAs enabled by RSA
- 2 53-E in market rules, I expect Community Power service to expand relatively rapidly in New
- 3 Hampshire, both in terms of customers served and in extent of geographic territories, and in a
- 4 manner that encourages operational and political coordination across individual CPAs for the
- 5 explicit purpose of modernizing New Hampshire's competitive retail market.
- Within that context, I have been informally advising a group of municipalities since
- 7 December 2019 regarding the "Community Power New Hampshire" initiative (CPNH) to
- 8 establish an independent Joint Action Authority to provide shared services and political
- 9 coordination on a statewide basis. Below is a high-level operating model diagram:



<sup>&</sup>lt;sup>37</sup> Website available online: <a href="http://www.communitypowernh.org/">http://www.communitypowernh.org/</a>

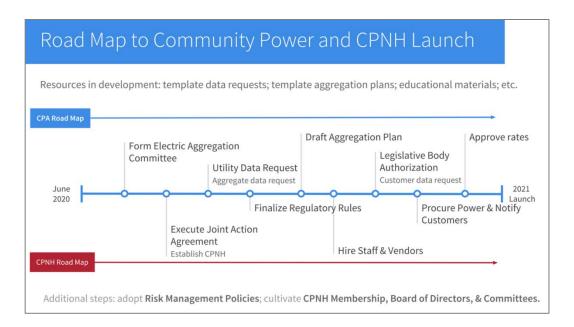
- I have attached an article published in New Hampshire Municipal Association's Town &
- 2 City magazine, <sup>38</sup> along with the agenda for CPNH's June 5<sup>th</sup> 2020 Community Power Summit
- 3 that convened over 80 representatives from 30 municipalities interested in the initiative. These
- 4 representatives were primarily local energy committee members, local elected officials and staff,
- 5 and we estimated that the combined default supply load from the municipalities in attendance
- 6 accounted for approximately 25% of the load currently served by distribution utilities. The
- 7 following graphic and CPA market forecast table were based on an informal survey of attendees:



		Default Service Metrics (estimates based on downscaling 2018 / 19 actuals)			
Anticipated CPA Launch	Municipalities	CPA Accounts	CPA MWH / yr	% Statewide Default MWh	CPA Supply Receipts
2021	10	82,437	754,588	15%	\$69,969,716
2022	7	33,482	302,118	6%	\$27,589,655
TBD	14	24,109	216,710	4%	\$20,006,927
Total	31	140,028	1,273,416	25%	\$117,566,299

<sup>&</sup>lt;sup>38</sup> Community Power New Hampshire, "Community Leaders Join Together to Develop Community Power New Hampshire", NHMA Town & City Magazine. May/June 2020. Available online: <a href="https://www.nhmunicipal.org/town-city-article/community-leaders-join-together-develop-community-power-new-hampshire">https://www.nhmunicipal.org/town-city-article/community-leaders-join-together-develop-community-power-new-hampshire</a>.

- 1 Most recently, four municipalities have taken the lead in drafting a Joint Powers
- 2 Agreement to establish CPNH as an independent entity and have issued a request for legal
- 3 services to finalize the draft agreement by mid-September 2020.<sup>39</sup>
- 4 The joint action agency intends to launch member CPA programs in "early 2021" and
- 5 provides the following high-level process and timeline for participating communities in their
- 6 online FAQ:<sup>40</sup>



- Q. How does the establishment of a statewide, multi-use online energy data platform
- 9 relate to Community Power Aggregations authorized under SB 286?
- 10 A. My testimony has explained how the statutory authorities, business model and political
- drivers of CPAs are naturally aligned with the development of market frameworks as called for
- 12 under RSA 53-F and how the CPA market should be expected to grow rapidly and in an
- operationally-coordinated fashion under the Community Power New Hampshire joint action

<sup>&</sup>lt;sup>39</sup> Website available online: https://lebanonnh.gov/bids.aspx?bidID=143

<sup>&</sup>lt;sup>40</sup> CPNH, "COMMUNITY POWER SUMMIT FAQ & GUIDELINES," July 2020. Available online: http://www.communitypowernh.org/uploads/1/3/1/3/131383190/community-power-faq\_june-30-2020.pd f

- 1 enterprise. Consequently, I urge the Commission to fully anticipate and leverage the role of 2 CPAs in terms of helping to govern the design, implementation and evolution of the statewide
- 3 data platform.

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- 4 How should the statewide, multi-use online energy data platform be governed? Q.
- 5 Α. The energy industry as a whole, particularly the electricity industry, is now in a period of
- 6 rapid, system-wide and fundamental technological transformation that is arguably rendering
- 7 administrative approaches to retail regulation outdated, inefficient and unable to meet the
- 8 challenge of accelerating market distortions and shifting consumer choice expectations. A market
- 9 framework that creates a continuous process of rapid, decentralized coordination to manage the
- 10 complexity of these challenges is clearly warranted going forward.
  - Based on my evaluations of New Hampshire's current retail market structure, the state has a long way to go in seeing through The Electric Utility Restructuring Act (RSA 374-F) to completion. I believe that New Hampshire as a whole can make relatively rapid progress in establishing a unified, modern and competitive retail electricity market — provided that the Commission directs stakeholders work together in a market framework that elevates the role of market participants, and does not continue to provide monopoly utilities with undue influence
- chain infrastructure investments upon which retail competition succeeds or fails in practice. 19 A sensible, if not necessary, first step in making meaningful progress in this regard is the

over the operational data interchange protocols, business processes and retail customer value

- 20 establishment of a market framework that aligns with the purposes of the Electric Utility
- 21 Restructuring Act — specifically, the guiding principal therein that the "commission should
- 22 adapt its administrative processes to make regulation more efficient and to enable competitors to

1 adapt to changes in the market in a timely manner. The market framework for competitive 2 electric service should, to the extent possible, reduce reliance on administrative process." 3 The backbone of any such market framework is expansive, reliable and transparent data 4 interchange — the establishment of which is the focus of this proceeding — sufficient to 5 facilitate the nimble decision-making and rule changes necessary to not unduly delay innovation 6 in market operations, and also sufficient in terms of tracking the range of metrics that the 7 Commission and others should rely upon to analyze the performance of the market. 8 When designing the governance framework, I urge the Commission to consider how 9 customers and municipalities are the best judges of how to meet their own requirements and 10 preferences in the market, but that they are often not able to be fully informed or engaged in the 11 decision-making process. They should be freely supported by a competitive industry in this 12 capacity — e.g. Community Power Aggregators, CEPS, brokers, innovative distributed energy 13 aggregators, etc. — that understands how to meet their requirements better than distribution 14 utilities do. Further, competitive market entities have incentives and technical abilities that are 15 more aligned with retail market innovation compared to distribution utilities. Therefore, the 16 governance framework should be primarily designed to fully engage and leverage these market 17 stakeholders in the decision-making process. 18 In that context, I would also urge the Commission to fully consider how CPAs are unique 19 in terms of their local control governance, democratic legitimacy, technical knowledge and 20 default customer base responsibilities in terms of both wholesale risk management and retail 21 value chain functions. They have both the incentives and the authority to meaningfully contribute 22 to the Commission's complex task of seeing through the Electric Utility Restructuring Act to its 23 completion.

1 In support of this recommendation, my testimony has provided several examples of how 2 fully restructured markets have created nimble governance frameworks reliant upon market 3 participants and customer representatives to continuously reform and evolve operating rules and 4 data exchange procedures. I would recommend that the Commission look to how the Texas 5 ERCOT market has structured its governance, specifically their Technical Advisory Committee 6 (TAC) charter, customer representative segments and subcommittee protocols, which I have 7 attached for reference. Additional governance <sup>41</sup>materials are available online. The Commission 8 could implement a similar market-based framework in this proceeding, giving due consideration 9 to the elevated role that market participants, and CPAs in particular, should be expected to play 10 within this governance framework. The Commission should also consider employing a hearing 11 officer, when necessary, in elevating any governance matters to the Commission to resolve.

- 12 Q. Does this conclude your testimony?
- 13 A. Yes.

<sup>&</sup>lt;sup>41</sup> Website available online: <a href="http://www.ercot.com/committees">http://www.ercot.com/committees</a>



# CONTACT

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https://www.linkedin.com/in/samuelvgolding

#### **MOTIVATION**

Community Adaptation Resilience Collaboration Bipartisanship Affordability Effectiveness Innovation

#### CAPACITY

**Awareness** Originality Teamwork Leadership

#### **EXPERTISE**

Agency Design **Agency Operations** -Risk Management -Origination -Distributed Energy -Retail Products -Regulatory Affairs -Compliance -Budgeting -Change Management = **Board Engagement Public Engagement** 

Industry Connections =

# SAMUEL GOLDING

**EXECUTIVE CONSULTANT** 

#### **PROFILE**

Political Economist, analyst and executive management consultant. Architect of Community Choice agency governance and operating models, utility partnerships, regulatory strategies and market reforms. Educator recognized as an industry expert, technologist & strategist. Advisor to Community Choice agencies, Investor Owned Utilities, public power, municipalities, public advocates, labor and civic groups, and

#### **EXPERIENCE**

technology firms.

Community Choice Partners, Inc.

Principal Consultant & Founder

2013- Present

#### Architect of Community Choice "2.0 & 3.0" maturity models.

Advisor to executives and senior staff on agency design and operational realignments, key performance indicators, vendor assessments, staffing plans and culture, regulatory intelligence and strategies, public relations and political campaigns, and stakeholder education.

Local Power, Inc. **Managing Director**  2011 - 2013

#### Consultancy that created Community Choice Aggregation.

Responsibilities included managing projects, staff, and daily operations, in addition to consulting on financial modeling, Distributed Energy and customer-facing smart grid applications.

KEMA, Inc. Senior Energy Analyst 2007 - 2011

2006

#### Global leader in Smart Grid and utility management consulting.

Responsibilities included tracking hundreds of emerging technologies, Distributed Energy forecasting for states and utility territories, supporting grid integration simulations and 'Utility of the Future' management consulting teams.

#### **EDUCATION**



Bachelor of Arts, International Political Economy Colorado College

Study Abroad: Fudan University & Maastricht University

Thesis: "Retreat from Kyoto", analyzing why and how Federal energy policy became increasingly undemocratic over a period and search.

#### UTILITY CONSUMER ACTION NETWORK

Nonprofit "utility watchdog" in San Diego. Lead expert in Phase 2 PCIA workshops and proceeding. Analysis of utility retail value chain barriers, cost shifting implications, and mitigating solutions re: structural market reform.

Q1 2019 - ONGOING

#### **IBEW LOCAL 11 & NECA LOS ANGELES**

Local labor union & electrical contractors association. Engaged to educate broad range of stakeholders in Los Angeles on CCA 2.0 & 3.0 design and the PCIA reform risk through reports, meetings and board presentations. Initial focus on "South Bay" and "West Side" cities that subse-quently joined the Clean Power Alliance. Work products received endorsements from: a Governor of the California Independent Grid Operator (CAISO), the former Assistant General Manager of the Northern California Power Agency (NCPA), the Chair of the Democratic Party Environmental Caucus, the California Alliance for Community Energy (CACE), the Executive Director of 350.org, the Sierra Club Angeles Chapter, and other civic organizations.

Q3 2016 - Q1 2017

#### **COUNTY OF LOS ANGELES**

Drafting and submittal of "PCIA Homework" filing to CPUC. Summarized extant PCIA methodology, methodological flaws that would have to be reformed prior to further growth of CCA industry, and a variety of related issues (e.g. IRP coordination, POLR, CAM). Recommended procedural steps for CPUC along with CCA 2.0 & 3.0 design strategies for the industry to manage near-term risks. Subsequent recognition for correctly identifying 'over the horizon' issues that are challenging the industry at present.

Q1 2016

#### **CITY OF SAN DIEGO**

Subcontractor to the Protect Our Communities Foundation. Correctly identified that San Diego was sufficiently large to trigger the reformation of the PCIA (an 'industry first'). Recommended a partial enrollment strategy to manage regulatory risk, and provided CCA energy and financial proforma forecasts accompanied by CCA 2.0 design advice. Q4 2013 — Q4 2014

#### **CONFIDENTIAL CLIENTS**

**CCA Agency:** CPUC proceeding survey and strategic advice on DER services & utility Grid Modernization

Q2 2019 — ONGOING

#### LONG BEACH ENERGY RESOURCES DEPT

Engaged by municipal utility staff to support their CCA feasibility study effort. Review of bid submissions, scope of work negotiations with multiple contractors, regular project management support, analytical peer review, education for city staff on CCA issues and assistance in coordination with operational CCAs, public power entities and SCE over the course of the project.

Q2 2018 - Q4 2019

#### EAST BAY COMMUNITY ENERGY

Expert review and advice in the selection of a portfolio manager to assist in the launch and early-stage operations of the CCA; strategy discussions to evolve front-office structures and risk management capabilities.

Q4 2017

#### **SONOMA CLEAN POWER**

Technical, financial and strategic consulting services during Phase 2 and 3 (full enrollment) through staff onboarding: load & revenue forecasting; customer data analytics (CCA INFO Tariff and utility EDI data); power supply contract management; procurement support including forecasting of open energy and capacity positions; validation of invoiced PPAs and CAISO wholesale market pass-through costs (charge codes); a variety of monthly, quarterly and annual compliance reports (EIA, CAISO, CEC and CPUC); select regulatory intelligence, business process streamlining & CCA staff tutorials; and program financial "proforma" modeling (for internal budgeting & to support creditworthiness assessments of the agency as a counterparty to suppliers).

Q4 2013 - Q4 2014

#### DISTRIBUTED ENERGY ASSESSEMENTS

2011 to 2013

SAN FRANCISCO PUBLIC UTILITIES COMMISSION
CALIFORNIA ENERGY COMMISSION (PIER)
CITY OF BOULDER, COLORADO

#### 2007 to 2010

UTILITIES: PG&E, SCE, SDG&E, SoCalGas (CA); HECO, MECO, MELCO (HW); XCEL ENERGY, PRPA (CO); NIPSCO (IN).

STATES OF RHODE ISLAND, CONNECTICUT & MISSOURI CALIFORNIA PUBLIC UTILITIES COMMISSION

Investor Owned Utility: community partnership advice for markets in which CCA is not enabled Q2 2019 —ONGOING

# SPEAKING ENGAGEMENT 1 to Testimony of S. Golding

The Waking Giant: Community Power Market Design (webinar). Municipal Sustainable Energy Forum. 15 July 2020.

Community Power: Design Insights for New Hampshire (panelist). Clean Energy NH's Local Energy Solutions Conference. 15 Nov 2019.

Impacts and Opportunities of Extending the Day Ahead Market to the Energy Imbalance Market (moderator) and Aligning Transmission with Local Capacity Needs (panelist). Infocast 11th Annual Transmission Summit West. 22-23 Oct 2019.

**Community Power Design for New Hampshire.** Conservation Law Foundation's Municipal Roundtable. 18 Sept 2019 & City of Lebanon Energy Action Committee. 29 Aug 2019.

Deep Decarbonization: Reforming Governance (webinar). Municipal Sustainability Forum. 23 July 2019.

Actionable Reforms to Governance and Operational Models to Rapidly Decarbonize Across Different Market Structures. Presentation at the National Renewable Energy Laboratory, workshop on "Maximizing DER Value for All Stakeholders". 30 May 2019.

Community Choice: Insights for Utility & Community Partnerships. CCA CEO panel + Q&A for the Board and Executives of an Investor Owned Utility. Q2 2019.

Meeting RPS Requirements in the Customer Choice Era. Panel with Monica Padilla and Amanda Singh. Infocast California Renewable Energy Procurement Summit. 30 April 2019.

Requirements to Operate a Community Choice Agency (presenter), Data Analytics: Best Practices and a Vision for the Future (moderator) and Load Profiling and Other Fundamentals of Effective Procurement (moderator). Infocast CCA Summit in San Francisco. 28-30 Dec 2018.

**Community Choice Aggregation 101.** Presentation to the American Public Power Association (at the CEO's request). 6 Sept 2018.

**Emerging Opportunities in California.** Panelist at The Business of Local Energy Symposium CCA Conference. 4 June 2018.

**Energy & Community Choice Aggregation.** Panelist with Nick Chaset, Pradeep Gupta and Don Bray. Association of Bay Area Governments (ABAG) General Assembly. 31 May 2018.

Community Choice 2.0 & 3.0 Insights. Interview for the Stratton Report. 15 May 2018.

**CCA 2.0 and 3.0 Tutorial Workshop.** Organizer of 8-hour workshop at the Infocast CCA Summit. 24 April 2018.

**Community Choice Aggregation — Power to the Community.** Panel with Ted Bardacke and Julia Pyper (Greentech Media) at the UCLA & USC Energy Innovation Conference. 16 April 2018.

Community Choice Aggregation: Best Practices, Lessons Learned & Distributed Energy Integration (webinar). Municipal Sustainability Forum. 30 Nov 2017.

What's your view of the PCIA exit fee debate and how does this relate to Community Choice 2.0 and 3.0? Interview for the Stratton Report. 15 Nov 2017.

**Strategic Insights from Deconstructing CCA & IOU Economics.** Presentation at the Infocast Community Choice Energy Summit. 14 Nov 2017.

LA Cities Meetup: CCA 2.0 & 3.0 Program Design Options + LACCE Review. Workshop presentation for the City of Santa Monica. 2 Nov 2017.

**Expert Panel: Debate on California's Energy Future & Community Choice.** Panel with Matthew Marshall and Gerry Braun. Municipal Sustainability Forum. 22 May 2017.

**Executive Briefing: The Community Choice Aggregation Market.** Panel with Mark Fillinger and Amanda Rosenberg. Solar Power Finance & Investment Summit. 21 March 2017.

**Expert Panel: Updates on Community Choice Aggregation Structures in US, CA and NY** Panel with Neil Alexander. Municipal Sustainability Forum. 18 April 2017.

Community Choice Aggregation: Program Design Evolution and Outlook (webinar). Municipal Sustainability Forum. 17 Jan 2017.

# SELECT PUBLICATIONS & ANALYSES

Community Power Design for New Hampshire. The Conservation Law Foundation's Municipal Roundtable. 18 September 2019.

Bill is step toward true community energy. The Concord Daily. Community Choice Partners, Inc. 23 July 2019.

SB 286-FN-Local, Relative to Aggregation of Electric Customers by Municipalities and Counties. Strategy memo to the New Hampshire Governor's Office of Strategic Initiatives. Community Choice Partners, Inc. 17 July 2019.

Understanding the Community Choice Energy (R)evolution in California. LinkedIn article. Community Choice Partners, Inc. 15 Oct 2018.

**Energy Risk Management Policies of Community Choice Agencies.** Comments to the California Public Utilities Commission "Customer Choice En Banc". Community Choice Partners, Inc. 2018.

The Theory and Evolution of Community Choice in California. Comments on the California Public Utilities Commission "draft Green Book". Community Choice Partners, Inc. 2018.

Protest Letter to SCE Advice Letter No. 3781-E. Comments to the California Public Utilities Commission. Community Choice Partners, Inc. 2018.

Advanced Energy Services: Interviews with Five Leading Portfolio Management Companies. South Bay Clean Power initiative. Community Choice Partners, Inc. 2017.

**CCA Financial Strategy and Regulatory Risk Analysis.** South Bay Clean Power initiative. Community Choice Partners, Inc. 2017.

CCA 2.0 & 3.0 Business Plan. South Bay Clean Power initiative. Community Choice Partners, Inc. 2017.

Response of the County of Los Angeles to Optional Homework Assignment in Preparation for the March 8 Workshop on PCIA Reform. Comments to the California Public Utilities Commission. Community Choice Partners, Inc. 2016.

CCA 2.0 as a Service: Bid in Response to RFP 15-001. Submission to Redwood Coast Energy Authority. Community Choice Partners, Inc. 2016.

San Luis Obispo Renewable Energy Secure Community. California Energy Commission, Public Interest Energy Research (PIER). Local Power, Inc. 2013.

CleanPowerSF (various reports and proforma results). San Francisco Public Utilities Commission. Local Power, Inc. 2013.

Boulder's Energy Future: Localization Portfolio Standard - Electricity and Natural Gas. City of Boulder, Colorado. Local Power, Inc. 2011.

Fast Automated Demand Response to Enable the Integration of Renewable Resources. Lawrence Berkeley National Laboratory and KEMA, Inc. 2012.

Assessment of the Benefits and Costs of Seven PIER-Supported Projects. California Energy Commission. KEMA, Inc. 2010.

Review of Energy Efficiency Program Savings Estimations in Annual Reports and Measurement and Evaluation Studies. California Energy Commission. KEMA, Inc. 2010.

Missouri Statewide DSM Market Potential Study. Missouri Public Service Commission. KEMA, Inc. 2010.

Colorado DSM Market Potential Assessment. Xcel Energy. KEMA, Inc. 2010.

Connecticut Electric Residential, Commercial, and Industrial Energy Efficiency Potential Study. Connecticut Energy Conservation Management Board. KEMA, Inc. 2010.

Platte River Authority Climate Action Plan. Platt River Power Authority. KEMA, Inc. 2009.

Pacific Gas & Electric SmartAC<sup>™</sup> 2008 Residential Ex Post Load Impact Evaluation and Ex Ante Load Impact Estimates. PG&E. KEMA, Inc. 2009.

Final Report: Pacific Gas and Electric SmartAC™ Load Impact Evaluation. PG&E. KEMA, Inc. 2008.

**2004/2005** Statewide Express Efficiency and Upstream HVAC Program Impact Evaluation. CPUC, CEC, PG&E, SCE, SDG&E, SoCalGas. Itron and KEMA, Inc. 2008.

# **COMMUNITY POWER SUMMIT**

# "By Communities, For Communities"

Friday, June 5<sup>th</sup>, 2020 1 PM to 4 PM

Dear Community Leaders of New Hampshire,

Thank you for accepting this invitation to join your fellow community leaders, and town, city, and county staff and officials for this three hour online interactive workshop on Community Power.

The Community Power Law (RSA 53-E) enables local governments (cities, towns, and counties) to become the default electricity providers for their residents and businesses — to offer innovative customer services and local programs, to competitively procure electricity supply, and to work with regulators, utilities, and businesses to modernize our electricity system. Community Power Aggregations (CPAs) represent an enormous opportunity for our communities and our state as a whole, and it is you, our state's local and community leaders, that are now equipped with the authority and the tools to lead the evolution of our electricity system.

In this workshop, we will come together to learn about Community Power and efforts to establish Community Power New Hampshire (CPNH), a locally governed public power nonprofit to provide enabling services to participating CPAs. We look forward to collaborating with you in leading the development of New Hampshire's Community Power marketplace.

Sincerely,

CPNH Organizing Group

www.communitypowernh.org

DE 19-197 ATTACHMENT 2 to Testimony of S. Golding

## **COMMUNITY POWER SUMMIT SCHEDULE**

12:45 PM — 1:00 PM: log-in early for assistance using the online platform (optional)

1:00 PM - 1:40 PM: Welcome | Breakout Group Introductions | Context

1:40 PM - 2:10 PM: Keynote by Girish Balachandran, CEO of Silicon Valley Clean Energy | Q/A

2:10 PM - 3:40 PM: CPNH Joint-Action: Panel Discussion & Breakout Groups | Report Back

3:40 PM - 4:00 PM: Road Map to Community Power and CPNH Launch | Adjourn

# **COMMUNITY POWER SUMMIT PURPOSE**

- 1. Build understanding of Community Power and CPNH Joint Action
- 2. Foster peer-to-peer engagement and relationship building
- 3. Hear new insights and concerns to inform the organizational design of CPNH
- **4.** Assess which resources should be prioritized and developed to enable Community Power implementation for participating communities

## **ZOOM VIRTUAL MEETING GUIDELINES & TIPS**

- ➤ You can control whether you see all the participants or just the speaker by going to the top right corner of your Zoom screen and toggling between Gallery View and Speaker View.
- ➤ Please mute your microphone when you are not speaking. You can find the microphone by hovering over the bottom of the screen with your cursor. The microphone will be on the far-left side. Click on the microphone icon and it will toggle between Mute and Unmute.
- ➤ If you want to speak or ask a question, please type an asterisk (\*) into the Chat box. We will use these asterisks to create a "stack" of participants who would like to speak. We will call on participants in the order that they sent an asterisk.
- You can **find the Chat by hovering over the bottom of the Zoom screen** and looking for the Chat icon. Click on the icon and a Chat area will appear on the right side of your Zoom screen. To send an asterisk to the Chat, go to the bottom of the Chat area (where it says "To: Everyone"), type an asterisk (\*) and hit Return.

### **COMMUNITY POWER SUMMIT AGENDA**

# Welcome | Breakout Group Introductions | Context 1 PM - 1:40 PM

The Summit will begin with a short summary of "How to Use Zoom" and "Guidelines for Participating in Virtual Meetings."

We will then set the stage with an overview of the Summit Agenda & Purpose, along with a review of the opportunities Community Power presents to democratize energy governance, lower energy costs, spur decarbonization and local renewable energy development, and harness market competition to drive innovation in electricity markets.

Afterwards, all participants will be divided into random breakout groups of five and be asked to:

- 1. Briefly introduce themselves;
- 2. Share a 60-second story of one energy project their community is proud to have implemented (or looks forward to implementing).

We will then regroup before transitioning to our keynote speaker.

# Keynote by Girish Balachandran, CEO of Silicon Valley Clean Energy | O&A

# 1:40 PM - 2:10 PM



Girish Balachandran Chief Executive Officer



**Silicon Valley Clean Energy (SVCE)** is redefining the local electricity market in Santa Clara County, California, by providing its residents and businesses with new renewable and carbon-free clean energy choices at competitive rates. For the thirteen communities that govern SVCE, the community-owned agency serves as the official electricity provider — on a mission to reduce dependence of fossil fuels by providing carbon-free, affordable and reliable electricity and innovative programs at-scale across all communities.

As the Chief Executive Officer, Girish Balachandran develops and implements strategies to empower the Silicon Valley Clean Energy (SVCE) team and community to achieve its ambitious decarbonization goals. Girish

leads the passionate employees of SVCE as they creatively solve challenges in the electric supply, built environment and transportation sectors. Girish has more than 29 years of experience in California utilities, including serving as the General Manager of Riverside Public Utilities (RPU) and Alameda Municipal Power (AMP) and previously working for the City of Palo Alto Utilities.

- Participants who have questions are invited to type their questions, or to type an asterisk ("\*") into the Zoom Chat during the presentation.
- ➤ After the Keynote, participants who have indicated they have a question for the speaker by typing an asterisk ("\*") into the Zoom Chat will be called upon to ask their question.
- We will follow-up to answer any questions left unaddressed (due to time constraints).

# CPNH Joint Action: Panel & Breakout Group Discussions | Report Out

2:10 PM - 3:40 PM

## **CPNH JOINT ACTION PANEL DISCUSSION (45 minutes)**

The communities of Hanover, Lebanon, Nashua, and Cheshire County are leading an effort to establish CPNH as a new, locally governed public power nonprofit to provide enabling services to Community Power Aggregations through a voluntary and flexible membership structure.

Representatives from these communities will provide an update on the status of CPNH development in a panel discussion format.

#### Joint Action Panelists



**Julia Griffin is the Town Manager of Hanover**, a position she has held since 1996. Prior to that, she was City Manager for the City of Concord. As Hanover staff for the Sustainable Hanover Committee, she spends considerable time working on sustainability and renewable energy programs for the Town and its residents.

Clifton Below is serving his 3rd term on the Lebanon City Council where he serves as Assistant Mayor and Chair of the Lebanon Energy Advisory Committee (which acts as the Lebanon Electric Aggregation Committee pursuant to RSA 53-E:6). He served as a Public Utilities Commissioner for the State of New Hampshire (2005-2012) and in the state legislature as a Representative and Senator (1992-2004) where he always served on the energy committees.

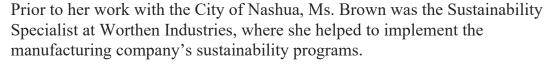


Mr. Below is the primary author of SB286 (the Community Power Law) and coauthored RSA 374-F (the "*Electric Utility Restructuring Act*").



Rod Bouchard is Assistant County Administrator for Special Projects & Strategic Initiatives for Cheshire County. He serves as senior manager for operational issues with Cheshire County. Mr. Bouchard has over 40 years of experience in information technologies with firms such as AT&T's Advanced IP division, Intel On-line Services, The Hartford Insurance Group, and Computer Systems Research of Avon, CT (where he was a principal partner).

**Doria Brown is the Energy Manager for the City of Nashua**, where she works on energy efficiency projects, greenhouse gas accounting, and energy procurement.





Ms. Brown graduated from Franklin Pierce University with a BS in Environmental Science (concentrating in Hydrology and Chemistry), enjoys working in the industry and thinks that "It's an amazing time to be in Energy in New Hampshire!"

## **JOINT ACTION BREAKOUT GROUPS (45 minutes)**

Following the Panel Discussion, attendees will be divided into twelve separate Breakout Groups:

- Each breakout group will have approximately 6-8 participants.
- The Facilitator will open the breakout group by reading aloud the purpose of the breakout group:

"To facilitate engagement and discussion among participants, and to collect comments, questions, and feedback. Not all questions will be answered during the breakout session, but questions will be recorded and collected for follow up after the Summit."

The facilitator will be responsible for ensuring each participant has opportunity to contribute to each discussion question (including themselves), and for keeping the group on-track and on-time.

Each Breakout Group will include a "CPNH Affiliate and Note-Taker" (who has been involved with the organizing of CPNH). This person will answer questions about CPNH (to the best of their ability at this early stage) and will take notes.

### Discussion Questions for Participants

- 1. What is your name, affiliation, and in one sentence, one thing you would like your community to achieve through Community Power? (5 minutes)
- 2. What unanswered questions or concerns do you have about Community Power or about CPNH? (10 minutes)

(We will follow-up to address any unanswered questions, which will also inform CPNH's next steps.)

- **3.** Is your community interested in participating in CPNH? (25 minutes)
  - **a.** What's your understanding of how the organization would function in practice?
  - **b.** What level of participation would your community expect to contribute to CPNH's governance, oversight of staff & operations, legislative affairs, other committees, etc.?
  - **c.** What resources should CPNH committees prioritize developing and sharing to enable participating member communities to implement Community Power?
  - d. What's the best way for communities to collaborate prior to the formal launch of CPNH?
- **4.** Facilitator invites each Breakout Group Member to share any closing thoughts? (5 minutes)

# Roadmap to Community Power & CPNH Launch | Adjourn 3:40 PM – 4 PM

Following the Breakout Groups, CPNH affiliates will share one key takeaway from the discussions with collective group.

We will conclude the Summit with a roadmap from today through the launch of CPNH and the first-mover Community Power Aggregations, next steps, and closing remarks.

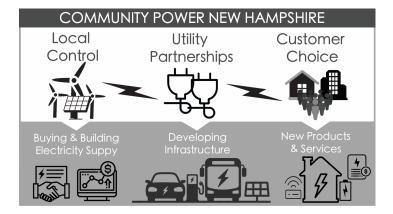
Post-Summit, attendees will receive:

- 1. Additional follow-up materials;
- 2. Responses to any questions left unaddressed (due to time constraints).

# Community Leaders Join Together to Develop Community Power New Hampshire

This article is authored jointly by a coalition of community representatives and supporting partners working to form Community Power New Hampshire

New Hampshire's Community Power law (SB 286; RSA 53-E) became effective October 1, 2019. It authorizes local governments (cities, towns, and counties) to become the default electricity provider for their residents and businesses — to offer innovative customer services and programs that communities want, to competitively procure electricity supply, and to work with regulators, utilities and competitive businesses to modernize our electrical grid and market infrastructure.



Unlocking the full range of municipal authorities enabled by RSA 53-E could be a game changer for our communities, local infrastructure and the competitive retail electricity market. Successful implementation requires coming up to speed on industry best-practices, navigating complex regulations, coordinating across utilities, and contracting for an array of sophisticated services. That takes a level of expertise and scale beyond the capacity of many municipal governments — now more than ever, given the COVID-19 crisis and our economic outlook.

**New Hampshire** 

**Town and City** 

Magazine -

May/June 2020

Community Choice Aggregation (CCA) Empowers Municipalities to Take Control of their Community's Energy Costs

Community Leaders Join Together to Develop Community Power New Hampshire

Moving Toward a More Democratized Electric System

Improving the Resiliency of New Hampshire's Buildings

What Every New Hampshire Town & City Needs to Know About Solar Energy Today

NHMA's Government Finance Director, Barbara Reid, to Retire in June!

LEGAL Q&A: Using Revolving Funds for Municipal Group Net Metering We believe that joining together to launch Community Power programs is the surest way to create a more coordinated, competitive, decarbonized, and locally governed electricity sector. That's why our group — representing energy committees, town managers and sustainability staff, elected officials, city energy managers, county administrators, and regional planning commissions — is developing Community Power New Hampshire (CPNH).

CPNH is being designed as a new joint action legal entity — governed by communities to serve communities under a voluntary and flexible membership structure — to clear the way for cities, towns, and counties across New Hampshire to launch Community Power programs in 2020 and 2021. Each community will help oversee the enterprise, while controlling their individual electricity rates, program services and policy goals. Once formed, CPNH will competitively enlist best-in-class service providers to support the launch of initial Community Power Programs and provide new members with a menu of services. As CPNH grows, all members will benefit from greater economies of scale, proven best-practices and expert regulatory and policy engagement — all of which supports the evolution of our statewide competitive retail market.

To guide the design of CPNH, we have identified the following goals for Community Power Programs (CPPs), some of which may be prioritized over others by different communities:

- 1. Strengthen local control and choice: CPPs may craft their own energy portfolios and evolve them over time, set rates for their customers, and allocate surplus revenues for their community.
- Control and reduce cost: CPPs will have access to competitive rate offerings relative to their utility's de-fault energy service, and the ability to better manage electricity cost drivers (e.g. capacity costs).
- Accelerate decarbonization through renewable energy: CPPs may procure renewable energy by purchasing Renewable Energy Credits, contracting with existing renewable energy generators, or enabling construction of new renewable energy systems.
- 4. Stimulate competitive, local markets to benefit customers and communities: CPPs will enable market-driven innovation in customer services and distributed energy technologies (including dynamic and real-time pricing options, onsite generation,

HR REPORT: Proposed "Card Check" Union Election Bills – Historical Context for an Old Proposal

NHARPC CORNER: Rail Trail Planning in New Hampshire Enhancing Transportation, Recreation, Economies, and Health

TECH INSIGHTS: Is Your IT Ready to Support Remote Work?

- energy storage, electrification of transportation and heating sectors, and energy efficiency).
- 5. Modernize infrastructure to strengthen markets and energy resiliency: CPPs may further enable retail market innovation, Smart Cities and energy security for critical facilities through the targeted deployment of advanced meters and communications, distributed energy technologies and microgrids working in partnership with distribution utilities and others to modernize our shared infrastructure and regulations.
- 6. Enhance local and regional coordination: CPPs may collaborate on electrifying transportation, streamlining permitting for innovative technologies, and removing other barriers to progress working together with Regional Planning Commissions, counties, and other partners and coordinating with the Public Utility Commission and Legislature.

CPNH development activities are organized into the four working groups listed below. We're working together upfront to leverage our collective re-sources, minimize staff time and avoid duplicative overhead — and invite local governments interested in Community Power to join and support any area of interest:

#### Governance Agreement

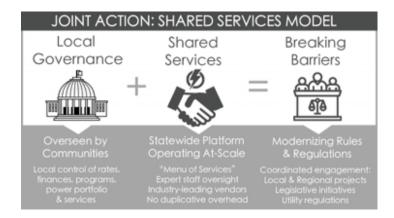
Municipal attorneys are reviewing a Joint Powers Agreement (authorized by RSA 53-A), a contract among local governments to create CPNH. Over the coming months, we will work together to refine the details including the process by which additional local governments may join CPNH.

#### Regulatory and Legislative Engagement

The Public Utilities Commission is considering a rulemaking process that will affect Community Power programs. Coordination with electric distribution utilities is an important part of Community Power, and the process for enabling the full range of authorities granted by RSA 53-E needs to be clarified by the Commission. CPNH organizers are already actively engaged in this regulatory process.

#### Operating Model Design

CPNH will likely rely on expert staff for oversight along with competitive service providers for operations, including: (1) active management of a diversified portfolio of wholesale energy contracts and participation in ISO New England electricity markets, and (2) retail customer services including meter communications, data management, call centers and billing.



Careful thought will be given to how CPNH's in-house expertise and contracted services will evolve with the market over time.

#### Community Engagement

Municipalities across New Hampshire, seventy of which have Local Energy Committees, are interested in how Community Power could offer meaningful control over their energy future.

We believe CPNH is the most efficient and pragmatic way to secure that objective and invite other communities to join our initiative. Over the coming months, we will provide toolkits and templates, and work with partners like NHMA, Clean Energy NH and Regional Planning Commissions to spread the word.

Learn more about CPNH and how to join via our website: <a href="www.CommunityPowerNH.org">www.CommunityPowerNH.org</a>.

Save the Date: CPNH will host a virtual Community Power Summit on Friday June 5th.

#### **NH Community Power coalition members:**

Town of Bristol: Paul Bemis, Bristol Energy Committee

Town of Harrisville: Mary Day Mordecai, Ned Hulbert, Planning Board

Town of Hanover: Julia Griffin, Town Manager; April Salas, Sustainability Director City of Lebanon: Clifton Below, Assistant Mayor; Tad Montgomery, Energy and Facilities Manager

City of Nashua: Doria Brown, Energy Manager

Cheshire County: Rod Bouchard, Assistant County Administrator / Special Projects and Strategic Initiatives

#### **Community Power NH supporting partners:**

Dori Drachmann, Co-founder, Monadnock Sustainability Hub

Dr. Amro M. Farid, Thayer School of Engineering at Dartmouth

Samuel Golding, President, Community Choice Partners

Jill Longval, Rockingham Planning Commission

Henry Herndon, Clean Energy NH



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## Electric Reliability Council of Texas Technical Advisory Committee Procedures

TAC Approved: May 29, 2020

Effective as of June 1, 2020

#### **ERCOT**

#### **Technical Advisory Committee Procedures**

These Technical Advisory Committee (TAC) Procedures are based upon incorporated provisions of the ERCOT Bylaws. Upon amendment of the ERCOT Bylaws, these Procedures should be reviewed to ensure consistency with any Bylaws revisions.

#### I. FUNCTIONS OF TAC

#### A. Duties

The TAC shall make recommendations to the Board as it deems appropriate or as required by the Board and perform any other duties as directed by the Board. TAC shall have the authority to create subcommittees, task forces and work groups, as it deems necessary and appropriate to conduct the business of TAC. TAC shall review and coordinate the activities and reports of its subcommittees.

#### B. Studies

The TAC shall itself, through its subcommittees, or through ERCOT staff, make and utilize such studies or plans as it deems appropriate to accomplish the purposes of ERCOT, the duties of its subcommittees and the policies of the Board. Results of such studies and plans shall be reported to the Board as required by the Board.

#### C. Prioritization of Projects Proposed by the Market

The TAC shall be responsible for setting the priority of projects approved through the NPRR, SCR and guide revision processes. TAC may delegate the responsibility for recommending the priority of market projects to one of its subcommittees.

#### II. MEMBERSHIP

#### A. Qualifications and Appointment

TAC Representatives, as defined in the ERCOT Bylaws Section 3.1, TAC Representatives, shall be elected or appointed according to the provisions of the ERCOT Bylaws and procedures established by the ERCOT Board. An Entity and its affiliates that are Members of ERCOT shall have no more than one representative on TAC.

#### B. Term of Representatives

TAC Representatives shall be selected annually in December of each year for service in the following calendar year.

#### C. Membership

The TAC shall be comprised of Representatives of Members from each Market Segment as defined in the ERCOT Bylaws: Independent Retail Providers (and Aggregators), Independent Generators, Independent Power Marketers, Municipals, Cooperatives, Investor Owned Utilities, and Consumers. The Corporate Members of each Segment are responsible for electing or appointing their Representatives to TAC. In addition, the ERCOT Chief Operating Officer (COO) or the ERCOT CEO's designee shall be an ex-officio, non-voting member of TAC. If a Member elects to

engage a consultant to represent them at TAC and/or TAC subcommittees, such consultant shall disclose the Entity or Entities it is representing at each meeting.

#### D. Vacancies

Vacancies shall be filled in the manner prescribed by the ERCOT Bylaws.

#### III. CHAIR AND VICE-CHAIR

#### A. Qualifications and Appointment

As provided in the ERCOT Bylaws, the Chair and Vice-Chair shall be elected by TAC and confirmed by the ERCOT Board.

#### B. Duties

The Chair shall be responsible for setting the agenda and presiding over all TAC meetings. The Chair shall also report to the Board on behalf of TAC. The Vice-Chair shall act as Chair at TAC meetings in absence of the Chair.

#### C. Election Process

ERCOT staff will open the floor for nominations for the Chair. Once nominations have been closed, TAC Representatives will cast votes on the nominations for Chair. If there is more than one nomination, ballots will be used for casting votes. Each TAC Representative will be allowed one vote. The candidate receiving a simple majority (51%) of TAC Representatives voting will be elected. If no simple majority is reached, ERCOT staff will identify the two candidates receiving the most votes and conduct another vote. Votes will be conducted until either a simple majority of the TAC is reached or an acclamation of TAC. Following election of the Chair, the Chair election process will be utilized for selecting the Vice-Chair.

#### IV. MEETINGS

#### A. Quorum and Action

As provided in the ERCOT Bylaws: Fifty-one percent (51%) of eligible, Seated Representatives of TAC shall constitute a quorum required for the transaction of business; and abstentions do not affect calculation of a quorum. Each voting member represented on TAC may designate, in writing, an Alternate Representative who may attend meetings, vote on the member's behalf and be counted toward establishing a quorum. Each voting member represented on TAC may designate in writing a proxy who may attend meetings and vote on the member's behalf, but shall not be counted toward establishing a quorum. If the TAC Representative wishes to designate an Alternate Representative or proxy, a notification of the designation of such Alternate Representative or proxy must be sent to ERCOT and shall be valid for the time period designated by the TAC Representative. TAC Representatives may participate in the meeting via telephone, but may not vote via telephone and participation via telephone shall not count towards a quorum.

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#### B. Meeting Schedule

The TAC and its subcommittees shall meet as often as necessary to perform their duties and functions.

#### C. Participatory Voting:

As provided in the ERCOT Bylaws, each Segment may choose to utilize "Participatory Voting" as follows:

If a Segment chooses to engage in Participatory Voting, each TAC Representative elected to serve and present at the meeting shall be required to vote the decision of the majority of Corporate Members of their Segment in attendance at a TAC meeting. A Corporate Member may delegate an employee or agent other than the Member representative to vote on its behalf for purposes of Participatory Voting. If a Corporate Member of a Segment using Participatory Voting is unable or does not wish to attend a TAC meeting, such Member may deliver a written proxy, at any time prior to the start of the meeting to a Participatory Voting delegate of any Member of the same Segment. A Corporate Member delegate in attendance at a TAC meeting may give written proxy to a Participatory Voting delegate of any Member of the same Segment during such meeting. If the consumer Segment chooses to utilize "Participatory Voting", each consumer type (retail, commercial and industrial) with representative(s) present shall each have equal voting strength in determining how the TAC Representatives of the Segment shall vote.

#### D. Notification

As provided in the ERCOT Bylaws, all meetings of the TAC shall be called by the Chair and all such meeting notices shall be sent in writing (including e-mail or fax) to each member at least one week prior to the meeting. All agenda items requiring a vote of TAC must be noticed for a vote with supporting documentation published at least one week prior to the meeting. Material that becomes available less than one week prior to the meeting may be considered if a majority of the TAC agrees to consider the additional material. An emergency meeting of the TAC may be held with less than one week notice if a majority of the members of TAC consent to the meeting. Any ERCOT Member may request notification of TAC meetings.

#### E. Conduct of Meetings

The Chair shall preside at all meetings and is responsible for preparation of agendas for such meetings. In the absence of the Chair, the Vice-Chair or another TAC Representative shall preside at the meeting. The Chair, or the presiding Member, shall be guided by Appendix A, ERCOT Meeting Rules of Order, in the conduct of the meetings. ERCOT staff shall be responsible for recording minutes of TAC meetings and distributing such minutes and other communications to all members of TAC and any other parties who express an interest in receiving such information. TAC meetings and TAC subcommittee meetings may be attended by any interested observers; provided, however,

persons may be excluded from portions of TAC meetings and TAC subcommittee meetings where third party confidential information is presented or discussed (e.g., confidential vendor or bid information and generation unit information). Participants shall disclose the Entity or Entities they are representing at each TAC and/or TAC subcommittee meeting.

#### F. Voting

In matters determined by the Chair to require a vote of TAC, or when any TAC Representative requests a vote on an issue, each TAC Representative shall have one vote. As provided in the ERCOT Bylaws, an act of TAC requires affirmative votes of: (i) two-thirds of the Eligible Voting Representatives of TAC; and (ii) at least 50% of the total Seated Representatives. For purposes of voting on TAC, TAC representatives shall not have their votes included in the total number of votes from which the requisite percentage of affirmative votes is required for action if: (i) they are not present and have not designated a proxy, or (ii) they abstain from voting.

#### G. Electronic Mail Voting

In matters determined by the Chair to require a vote of TAC which are urgent or otherwise require action prior to the next meeting, a vote via electronic mail (e-mail vote) may be utilized. A request for an e-mail vote can only be initiated by the Chair or Vice Chair. An e-mail vote is permitted provided a notification is distributed to the TAC distribution list that includes a detailed description of the issue or proposition and accompanied by supporting documentation. For e-mail votes, a quorum of Standing Representatives must participate in the vote. Participation requires casting a vote or abstaining. Votes shall be submitted to ERCOT for tallying by the close of two Business Days after notification of the vote. Votes are tallied in the same manner as a regular meeting. The final tally shall be distributed to the TAC distribution list and posted on the ERCOT website.

#### V. SUBCOMMITTEES

#### A. Duties

Subcommittees shall make recommendations to TAC as they deem appropriate or as required by TAC and shall perform any other duties as directed by TAC.

#### B. Alternate Representatives and Proxies

Each Standing Representative of a subcommittee may designate in writing an Alternate Representative who may attend meetings, vote on the Standing Representative's behalf and be counted toward establishing a quorum. Each Standing Representative of a subcommittee (except for the Protocol Revision Subcommittee (PRS)) may designate, in writing, a proxy who may attend meetings and vote on the member's behalf, but shall not be counted toward establishing a quorum. If the Standing Representative wishes to designate an Alternate Representative or proxy, a notification of the designation of such Alternate Representative or proxy must be sent

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to ERCOT and shall be valid for the time period designated by the Standing Representative. Alternate Representatives, if not employed by the voting member thereby represented, must be confirmed in writing by such member (signed by a duly authorized representative of the member).

#### C. Chair and Vice Chair

Unless otherwise directed by TAC, the Standing Representatives of each subcommittee shall elect a Chair and Vice-Chair from the subcommittee's standing membership for a term of one year on a calendar year basis. The Chair and Vice-Chair shall be confirmed by TAC. Each Chair shall be responsible for setting the agenda and presiding over respective subcommittee meetings. The Chair shall also report on subcommittee activities and present recommendations to TAC. The Vice-Chair shall act as Chair at subcommittee meetings in the absence of the Chair.

#### D. Meetings and Notification

The subcommittee Chair is responsible for calling meetings as often as necessary for the subcommittee to perform its duties and functions. Meeting notices shall be sent to each Standing Representative, the subcommittee distribution list, and posted on the ERCOT website at least one week prior to the meeting, unless an emergency condition requires a shorter notice.

In addition, subcommittee meetings are attended by ERCOT Staff person(s) who coordinate ERCOT support of the meeting, including meeting arrangements, meeting minutes, and ERCOT Staff participation in the meeting.

#### E. Appeal Procedures

Any Entity that demonstrates it is affected by a TAC subcommittee decision (including but not limited to those listed in Protocol Section 21, Revision Request Process) may appeal the TAC subcommittee vote to TAC utilizing the following process:

- 1. Any appeal (including requested relief) must be submitted to ERCOT (RevisionRequest@ercot.com) within seven days after the date of the TAC subcommittee vote.
- 2. Appeals shall be heard at the next regularly scheduled TAC meeting that is at least seven days after the date of the requested appeal.
- 3. The appropriate TAC subcommittee Chair or Vice-Chair shall designate a TAC subcommittee advocate to defend the TAC subcommittee vote prior to the TAC meeting.
- 4. ERCOT shall notify the TAC and the relevant TAC subcommittee of the appeal and the TAC subcommittee advocate.
- 5. The appealing party and the TAC subcommittee advocate shall provide a position statement to ERCOT prior to the TAC meeting. Any other interested Entity may also provide a position statement to ERCOT prior to the TAC meeting. Position

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statements should be submitted to ERCOT by no later than 1700 Central Prevailing Time on the day prior to the TAC meeting.

- 6. ERCOT will distribute all position statements to the TAC.
- 7. The TAC Chair or Vice-Chair will allocate a designated amount of time on the agenda for consideration of the appeal allowing for the appealing party, TAC subcommittee advocate, and any Entities providing position statements to address the TAC on the TAC subcommittee vote.
- 8. An appeal of a TAC subcommittee vote does not require a motion by the TAC. TAC shall vote on the appealing party's requested relief after consideration of the appeal. If the TAC vote fails to grant the appealing party's requested relief, the appeal shall be deemed rejected by TAC unless at the same meeting TAC later votes to recommend approval of, defer, remand or refer the issue. The rejected appeal as well as any other TAC votes shall be subject to appeal pursuant to ERCOT Board Policies and Procedures, Section VIII. Appeal Procedures.
- 9. The TAC Chair or Vice-Chair may override any deadline in this Section for good cause shown.

An expedited process may be utilized for appeals of (a) TAC subcommittee votes related to decisions on items designated as Urgent; or (b) any other TAC subcommittee vote that the TAC Chair or Vice-Chair designates as urgent. Such appeals must be submitted to ERCOT (RevisionRequest@ercot.com) within 48 hours after the end of the relevant TAC subcommittee meeting and shall be heard at the next regularly scheduled TAC meeting.

#### F. Working Group/Task Force

- Comments or Revision Requests. Working groups and task forces must obtain
  approval from the governing TAC subcommittee (or TAC if the working group
  or task force reports directly to TAC) prior to submitting to ERCOT for official
  posting of new Revision Requests or comments on Revision Requests when the
  governing TAC subcommittee (or TAC if the working group or task force reports
  directly to TAC) is not the next approval authority of such new Revision Requests
  or comments.
- Chair and Vice Chair. Participants at working group and task force meetings will
  offer nominations for Chair and Vice Chair which will be subject to approval by
  TAC or the governing TAC subcommittee.

#### G. Standing TAC Subcommittees

There shall be four standing TAC subcommittees with representatives as follows:

1. Retail Market Subcommittee (RMS); Reliability and Operations Subcommittee (ROS); and Wholesale Market Subcommittee (WMS)

Membership: Membership shall consist of one to four Standing Representatives from each Segment elected or appointed by the voting members of the respective Segment, with the exception of the Consumer Segment. The Consumer Segment shall consist of three subsegments (Residential, Commercial, and Industrial). The number of Standing Representatives for each Segment shall be determined by the TAC members representing that Segment. Standing Representatives, if not employed by the voting member thereby represented, must be confirmed in writing by such member (signed by a duly authorized representative of the member). These will be the voting members of the subcommittee. ERCOT shall appoint appropriate staff member(s) to attend and participate in the subcommittee meetings. A Member entity and its affiliates that are also ERCOT Members shall have no more than one representative per TAC subcommittee as it pertains to Section V. G. 1.

Quorum: At least one Standing Representative from each of four Segments and a majority of the Standing Representatives must be present at a meeting to constitute a quorum. Standing Representatives may participate in the meeting and vote via telephone, but participation via telephone shall not count towards a quorum.

Votes: Each Segment shall have a Segment Vote of 1.0 except the Consumer Segment, which shall have a Segment Vote of 1.5. Segment Votes shall be equally divided into Fractional Segment Votes among the Standing Representatives, designated Alternate Representatives and proxies of each Segment that cast a vote. The Consumer Segment Vote shall be equally divided into a Fractional Segment Vote of 0.5 for each of the three subsegments. The Fractional Segment Vote for each subsegment of the Consumer Segment is allocated to the Standing Representatives, designated Alternate Representatives, and proxies of the subsegment casting a vote. For the Consumer Segment, if no Standing Representative from a subsegment is present at a meeting, the Consumer Segment vote is allocated equally to the subsegment(s) that cast a vote. If a representative from a subsegment abstains from a vote, the fraction of the Consumer Segment Vote allocated to such representative is not included in the vote tally.

Voting: Only Standing Representatives, their designated Alternate Representative, or proxy may vote. A motion of the subcommittee passes when a majority (unless a two-thirds vote is required for the motion as prescribed in Appendix A, ERCOT Meeting Rules of Order) of the aggregate of the Fractional Segment Votes are (i) affirmative, and (ii) a minimum total of three. The results of all votes taken will be reported to TAC, whether or not the vote passed.

Abstentions: In the event that a voting member, their designated Alternate Representative, or proxy, is not present during a roll call vote, or abstains from voting, that member's fractional vote will be reallocated equally among the remaining voting members of that Segment; except for the Consumer Segment.

E-Mail Voting: An e-mail vote is permitted provided a notification is distributed to the subcommittee distribution list that includes a detailed description of the issue or proposition. A request for an e-mail vote can only be initiated by the Chair or Vice Chair. A quorum of Standing Representatives must participate in the e-mail vote. Participation requires casting a vote, or abstaining. Votes shall be submitted to ERCOT for tallying by the close of two Business Days after notification of the vote. Votes are tallied in the same manner as a regular meeting. The final tally shall be distributed to the subcommittee distribution list and posted on the ERCOT website.

#### 2. Protocol Revision Subcommittee (PRS)

The PRS is mandated by the ERCOT Protocols.

Membership: Membership shall consist of two Standing Representatives from each Segment. Each Standing Representative may designate in writing an Alternate Representative who may attend meetings, vote on the Standing Representative's behalf and be counted toward establishing a quorum. However, Standing Representatives at PRS may not assign proxy

Quorum: In order to take action, a quorum must be present. A quorum is defined as at least one Standing Representative in each of at least four Segments.

Votes: At all meetings, each Segment shall have one Segment Vote. The representative of each Voting Entity, present at the meeting and participating in the vote, shall receive an equal fraction of its Segment's Vote, except for the Consumer Segment which shall be divided into three subsegments (Residential, Commercial, and Industrial) that receive one third of the Consumer Segment Vote. Within each Consumer Segment subsegment, the representative of each Voting Entity casting a vote shall receive an equal fraction of its subsegment's vote. For the Consumer Segment, if no representative from a subsegment casts a vote, such subsegment's fractional vote is allocated equally to the subsegment(s) that cast(s) a vote. For purposes of counting votes in the Consumer Segment, an abstention shall not be considered as a cast vote.

Voting Entities: Entities entitled to vote (Voting Entities) are ERCOT Corporate Members, ERCOT Associate Members, and ERCOT Adjunct Members. Voting Entities must align themselves each calendar year with a Segment for which they qualify or, for Adjunct Members, a Segment to which they are similar. Voting Entities that align themselves with a Segment must be aligned with that same Segment for all TAC subcommittees, and remain aligned with that Segment for the entire calendar year. For each Subcommittee that is part of Section V. G. 2., a Member entity and its affiliates that are also ERCOT Members must designate one Segment in which to participate and vote for the Subcommittee term

regardless of the Segment for which the entity or its affiliate qualifies. Once the designation is made an entity and its affiliates may not vote in another Segment for one calendar year in that Subcommittee; provided, however, that if due to changed circumstances Members subject to such designation become no longer affiliated, the Members no longer affiliated shall each, upon notifying ERCOT, thereafter be eligible to participate and vote in the Subcommittee in a Segment for which it is eligible. If multiple affiliates attend a meeting, the Corporate Member shall designate the Voting Entity.

If Alternate Representatives are not employed by the voting member thereby represented, they must be confirmed in writing by such member (signed by a duly authorized representative of the member). Voting Entities must be present at the meeting to vote as they are not allowed to vote via the telephone or to designate a proxy.

Voting: Only one representative of each Voting Entity present at the meeting may vote. Voting Entities may be represented by a direct employee, or may file a letter of agency designating an individual not directly employed by the Voting Entity to vote on its behalf. Agents holding letters of agency for more than one Voting Entity may vote on behalf of only one Voting Entity at any particular meeting.

A motion of the subcommittee passes when a majority (unless a two-thirds vote is required for the motion as prescribed in Appendix A, ERCOT Meeting Rules of Order) of the aggregate of the fractional Segment Votes are (i) affirmative, and (ii) a minimum total of three. The results of all votes taken will be reported to TAC, whether or not the vote passed.

Abstentions: In the event that a representative of a Voting Entity abstains from a vote, the Segment Vote is allocated among the members casting a vote. Abstentions within the Consumer Segment shall be addressed as described above.

E-Mail Voting: An e-mail vote is permitted provided a notification is distributed to the subcommittee distribution list that includes a detailed description of the issue or proposition. E-mail votes for PRS are primarily conducted for administrative purposes. A request for an e-mail vote can only be initiated by the Chair or Vice Chair. For e-mail votes, each Standing Representative shall have one vote and a quorum of Standing Representatives must participate in the vote. Participation requires casting a vote or abstaining. The affirmative votes of eight Standing Representatives shall be the act of the subcommittee by e-mail vote. Votes shall be submitted to ERCOT for tallying by the close of two Business Days after notification of the vote. A PRS e-mail vote on a request for Urgent Status shall be submitted to ERCOT for tallying within 48 hours. The final tally shall be distributed to the subcommittee distribution list and posted on the ERCOT website.

#### VI. MODENCE AT INCOMPATE OF THE TRANSPORT OF THE COMMITTEES

Under extenuating circumstances (an emergency or public necessity, including but not limited to an imminent threat to public health or safety, or a reasonably unforeseen situation) and after consulting with the TAC Chair and Vice Chair, the ERCOT General Counsel may declare that remote voting is permitted for TAC and TAC Subcommittee duties and functions. A notice will be sent to all ERCOT Members and a Market Notice will be sent to all Market Participants when such a declaration begins and when the return to normal meeting procedures resumes. Any such meeting must use conference telephone or other similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment or system permits each person participating in the meeting to communicate with all other persons in the meeting. Participation in a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. In such meetings, TAC and TAC Subcommittees may vote via such electronic communications system. If necessary as determined by the Chair and Vice Chair, validation of the votes taken via such electronic communications system will be conducted after the meeting.

#### VII. AMENDMENT

These Procedures may be amended upon motion by any member of TAC and approval of that motion by vote of TAC, provided such amendment may not be in conflict with the ERCOT Bylaws, Board Procedures, or Board resolutions. The ERCOT Board may, upon its own motion, amend these Procedures upon reasonable notice to the TAC membership.

#### **Appendix A, ERCOT Meeting Rules of Order**

#### **Introduction:**

These rules of order provide parliamentary procedure at all TAC and TAC Subcommittee meetings and are intended to ensure order and fairness in the decision making process. The minimum quorum to convene a meeting shall be as described in the TAC Procedures for each respective stakeholder group. Robert's Rules of Order shall guide stakeholder meetings in all areas not addressed by the ERCOT Protocols, ERCOT Bylaws, TAC Procedures, subcommittee charters, or these rules. Any conflicts between these rules and Robert's Rules of Order shall be determined in favor of these rules.

#### **Main Motions**

Main motions are used to present new business, such as action to be taken on Revision Requests, concepts, and methodologies.

#### Main Motion Examples:

YOU WANT TO:	YOU SAY:	2ND?	<b>DEBATE?</b>	AMEND?
Endorse "X" methodology	I move to endorse "X" methodology	Yes	Yes	Yes
Take action as defined in Protocol Section 21 on an NPRR (e.g., recommend approval, reject, defer decision, refer or remand)	of NPRR	Yes	Yes	Yes

#### **Secondary Motions**

Secondary motions address procedural issues and assist with the order and management of the meeting. They are applicable to pending main motions and discussion items equally.

#### **Secondary Motion Examples:**

YOU WANT TO:	YOU SAY:	2ND?	<b>DEBATE?</b>	AMEND?
Close the meeting	I move to adjourn	Yes	No	No
Take break	I move to recess for	Yes	No	Yes
Lay aside temporarily	I move to table/defer	Yes	Yes	Yes
Return to a previously tabled item	I move to remove from the table the item regarding*	Yes	Yes	Yes
Stop debate and vote	I call the question*	Yes	No	No

Limit or extend debate	I move that debate be limited/extended to*	Yes	No	No
Refer to another stakeholder group	I move to refer the motion/discussion to	Yes	Yes	Yes
Modify the wording of a motion	Will you accept a friendly amendment to	No	No	No
Modify the wording of a motion	I move to amend the motion to	Yes	Yes	Yes
Withdraw motion	I withdraw my motion	No	No	No
Reconsider a previous motion	I move to reconsider	Yes	Yes	Yes
Ask a question on the rules	Question on the rules/point of order	No	No	No
Suspend the rules of Notice	I move to waive notice for*	Yes	Yes	No

<sup>\*</sup> Requires a two thirds vote in favor for approval.

#### **Motion Descriptions:**

#### Table:

This motion postpones a discussion item indefinitely or for a specified time. If a time is specified the group may return to the discussion item prior to the expiration of the specified time with the adoption of a motion to *take from the table*. If no time to return to the item was specified the chair may direct the return to the item at their discretion.

#### **Call the question:**

This motion closes debate and is applicable only to the immediately pending motion. Once adopted, no further debate is allowed and a vote on the pending question must immediately be conducted. If a *motion to call the question* is adopted while an amendment is pending, then a vote is taken immediately on the amendment. Once the vote on the amendment is complete, then debate on the main motion may continue. To be applicable to a main motion, a *motion to call the question* must be adopted while the main motion is immediately pending. This motion requires a two thirds vote in favor for approval.

#### **Limit/Extend debate:**

The *motion to limit debate* requires that all debate regarding a particular pending motion be completed before the expiration of a specified amount of time. The allotted time for discussion may be extended through a *motion to extend debate*. The chair must immediately conduct a vote on the pending motion at the expiration of time. This motion requires a two thirds vote in favor for approval.

#### Refer:

The Chair may, without objection by any voting member, direct any discussion item to any working group or task force of the subcommittee, or request review by any other TAC Subcommittee. If adopted, this motion requires the Chair to take this action per the direction of the motion.

#### **Friendly Amendment:**

This is a request to revise the language of a pending motion and is directed at the mover and second of a pending motion. If accepted by the mover and the second, the pending motion is amended without the need for action by the group. If the friendly amendment is opposed by either the pending motion mover or the second, then the pending motion remains in its original form. If the friendly amendment is accepted by the mover, but opposed by the main motion second, and the second is withdrawn, the Chair may solicit an alternate second. If an alternate second is provided, the pending motion is amended without the need for action by the group. This motion has the same class and rank order as the more formal *motion to amend*. A pending motion may also be amended through the formal amendment process (see "Amend" below).

#### Amend:

If adopted, this motion revises the language of the pending motion regardless of opposition by the pending motion mover or second. This motion itself requires a second and is adopted by a vote of the group per TAC Procedures.

#### **Waive Notice:**

The usual course of business for TAC and TAC Subcommittees is to post and distribute a meeting agenda indicating items upon which respective groups will be voting at least one week in advance. Adoption of a *motion to waive notice* authorizes a vote upon items with insufficient notice. This motion requires a two thirds vote in favor for approval.

#### Withdraw:

This is a unilateral action by the mover or the second of a pending motion. If the mover withdraws, the pending motion is terminated. If the second withdraws, then the motion remains as a properly laid motion without a second for which any other member may second. A withdrawal by either the mover or the second ceases to be available once the Chair has begun the vote on the motion or while a motion to call the question is pending.

#### **Reconsider:**

This motion renews consideration of a particular item or motion previously considered during the current meeting. The mover of a *motion to reconsider* must be a member that voted on the prevailing side of the motion to be reconsidered, and must clearly identify the motion or action to be reconsidered. Once a *motion to reconsider* has been adopted by the committee, any member may move to void, amend or, reinstate the motion or decision that is reconsidered. If a *motion to reconsider* has been adopted regarding a particular item, but no further action is then taken, the previous motion or decision remains in effect as if the *motion to reconsider* had not been adopted. For the purposes of this paragraph, a meeting held over multiple days shall

be considered as a single meeting if it is held by the same stakeholder group and the days of the meeting are contiguous.



## **ERCOT TAC Representatives – 2020**

	D II II G G III DI ODIIG
Consumer	Residential: Shawnee Claiborn-Pinto – OPUC
	Residential: Eric Goff
	Commercial: Phillip Boyd – City of Lewisville
	Commercial: Chris Brewster – City of Eastland
	Industrial: Garrett Kent – CMC Steel Texas
	Industrial: Bill Smith – Air Liquide
Cooperative	John Dumas – Lower Colorado River Authority
·	Clif Lange – South Texas Electric Cooperative
	Roy True – Brazos Electric Power Cooperative
	Michael Wise – Golden Spread Electric Cooperative
	Michael Wise Golden Spieda Electric Cooperative
Independent	Bob Helton – Engie North America
Generator	Ian Haley – Luminant Generation
	Colin Meehan – First Solar
	Bryan Sams – Calpine Corporation
	21yun Sunis Cuipine Corporation
Independent Power	Kevin Bunch – EDF Trading North America
Marketer	Jeremy Carpenter – Tenaska Power Services
	Clayton Greer – Morgan Stanley
	Resmi Surendran – Shell Energy North America
Independent Retail	Bill Barnes – Reliant Energy Retail Services
Electric Provider	Eric Blakey – Just Energy Texas
	Sandy Morris – Direct Energy
	Shannon McClendon – Demand Control 2
<b>Investor Owned Utility</b>	Walter Bartel – CenterPoint Energy
·	Collin Martin – Oncor Electric Delivery
	Keith Nix – Texas-New Mexico Power Company
	Richard Ross – AEP Service Corporation
Municipal	Dan Bailey – Garland Power and Light
_	Jose Gaytan – Denton Municipal Electric
	Alicia Loving – Austin Energy
	David Kee – CPS Energy
L	L



## **Electric Reliability Council of Texas**

## RETAIL MARKET SUBCOMMITTEE PROCEDURES

TAC Approved May 24, 2018

Effective as of June 1, 2018

**AUSTIN**7620 Metro Center Drive
Austin, Texas 78744
Tel. 512.225.7000
Fax 512.225.7020

TAYLOR 2705 West Lake Drive Taylor, Texas 76574 Tel. 512.248.3000 Fax 512.248.3095

#### ERCOT Retail Market Subcommittee

#### **Subcommittee Structure**

The structure of the subcommittee is included in the Technical Advisory Committee Procedures, Section V, Subcommittees. The Retail Market Subcommittee (RMS) will follow the election process as described in the Technical Advisory Committee Procedures, Section III, Chair and Vice-Chair, C, Election Process.

#### **Scope**

The Retail Market Subcommittee (RMS), reporting to the Technical Advisory Committee (TAC), evaluates, and reviews issues related to the operation of the retail market in the ERCOT Region and makes recommendations for improvement, when deemed appropriate, to TAC. The RMS will be responsible for monitoring Public Utility Commission (PUCT) rulings as they apply to Retail Markets and Retail Market Participants and ensure that PUCT requirements are reflected in the ERCOT Market Guides and Protocols. The guiding principle behind the work of the RMS is to help ensure an efficient and nondiscriminatory retail market for all Market Participants.

The functions of this subcommittee include oversight of, but are not limited to:

- Retail transactions and business processes
- Retail market testing
- Retail Reports and Extracts
- Data Transport
- Retail Metering
- Market Participant communication needs for retail operations issues
- Load Profiling
- Retail Market Training

The subcommittee will also promptly prepare and submit a revision request for any issues identified that require a change to the ERCOT Protocols and Guides. The subcommittee shall communicate with other TAC subcommittees, and shall report back to the RMS on a regular basis. Furthermore, the subcommittee will review Nodal Protocol Revision Requests for effects on the retail market.

The subcommittee will report to TAC on a regular basis or as otherwise directed by TAC. The subcommittee will continually evaluate subcommittee functions to identify those that could potentially be performed by ERCOT and submit any recommended changes to TAC. The subcommittee chair will normally attend TAC meetings.

#### **Standing and Ad Hoc Working Groups**

In order to discharge its responsibility, the subcommittee may form standing working groups and temporary or ad hoc working groups with representation of each working group being appointed or approved by the subcommittee. The members of the working group shall elect from amongst themselves a chair and vice chair, subject to confirmation by the RMS, for a one-year term on a calendar year basis or until the working group is no longer required. The subcommittee will direct these working groups, make assignments and retire the working groups as necessary.

All subcommittee working groups are responsible for reporting planned activities/projects and results to the subcommittee for review and to submit any budget requirements to the subcommittee to be forwarded to TAC for approval. All working group actions are subject to subcommittee review. Materials submitted by working groups that require RMS approval will be submitted to RMS members for review one week prior to the scheduled RMS meeting.

### 2020 RMSDG9994 SACHMENT 4 to Testimony of S. Golding

#### TAC Approved June 24, 2020

- 1. Align Retail Market Subcommittee Goals with TAC goals and the strategic vision of the ERCOT Board of Directors.
- 2. Maintain rules that support Retail Market processes and promote market solutions that are consistent with PURA and PUC.
- 3. Collaborate with WMS to ensure the incorporation of demand response and load participation in the Wholesale market including participation in the ERCOT annual demand response survey.
- 4. Support ERCOT's initiatives to develop retail processes for integrating or transitioning Load into ERCOT as needed.
- 5. Explore and implement Retail Market enhancements, process improvements, cost efficiencies, and evaluate lessons learned from previous events.
- 6. Maintain market rules that support open access to the ERCOT retail market.
- 7. Continue to work with ERCOT to develop Protocols and other market improvements that support increased data transparency and data availability to the market.
- 8. Assess and develop Retail Market training initiatives that may include ERCOT's Learning Management System's (LMS) online modules and Instructor Led Market Training courses and/or webinars.
- 9. Assess and improve communications and notifications processes for all Market Participants including ERCOT.
- 10. Work with ERCOT staff and Transmission and Distribution Service Provider staff to address issues and facilitate improvements to market rules pertaining to load profiling as reflected in the ERCOT Protocols and the Load Profiling Guide.
- 11. Monitor Retail Load Profiling Annual Validation.
- 12. Support retail system testing and implementation and continue to monitor performance post-implementation.
- 13. Support ERCOT's Summer preparedness efforts including Mass Transition drill and associated workshops.



## **ERCOT RMS Representatives – 2020**

Consumer	Chris Brewster – City of Eastland
	Shawnee Claiborn-Pinto – OPUC
Cooperative	Christian Powell – Pedernales Electric Cooperative
•	Connie Hermes – South Texas Electric Cooperative
	Daniel Kueker – Brazos Electric Power Cooperative
	Frank Wilson – Nueces Electric Cooperative
Independent	John Schatz – Luminant Generation
Generator	Angela Ghormley – Calpine Corporation
<b>Independent Power</b>	John Moschos – Tenaska Power Services
Marketer	Emily Black-Huynh – EDF Trading North America
Independent Retail	Eric Blakey – Just Energy
Electric Provider	Norm Levine – Direct Energy
	Kyle Patrick – Reliant Energy Retail Services
	Amir Khan – Chariot Energy
<b>Investor Owned</b>	Jim Lee – AEP Service Corporation
Utility	Debbie McKeever – Oncor Electric Delivery
	Diana Rehfeldt – Texas-New Mexico Power Company
	Kathy Scott – CenterPoint Energy
Municipal	Wayne Callender – CPS Energy
	Timothy Crabb – City of College Station
	Robert Heimer – Austin Energy
	David Werley – Bryan Texas Utilities



## **Electric Reliability Council of Texas**

# RELIABILITY AND OPERATIONS SUBCOMMITTEE PROCEDURES

TAC Approved March 23, 2017

**AUSTIN**7620 Metro Center Drive
Austin, Texas 78744
Tel. 512.225.7000
Fax 512.225.7020

www.ercot.com

TAYLOR 2705 West Lake Drive Taylor, Texas 76574 Tel. 512.248.3000 Fax 512.248.3095

## **ERCOT**Reliability and Operations Subcommittee

#### **Subcommittee Structure**

The structure of the subcommittee is included in Section V. of the Technical Advisory Committee (TAC) Procedures.

#### **Scope**

The Reliability and Operations Subcommittee (ROS), reporting to the TAC, evaluates and reviews ERCOT system studies and is responsible to review operations of ERCOT in relation to system security, Operating Guides application, and emergency operations. The ROS will be responsible for monitoring Public Utility Commission (PUCT) rulings as they would apply to Market Participants responsible for reliability and ensure that PUCT requirements are reflected in the Operating Guides and Protocols. The ROS performs such other duties as it deems appropriate and makes recommendations to TAC. It is the TAC's expectation that the subcommittee chairs will coordinate with each other, particularly on issues being addressed in one subcommittee that may have an impact on or require input from another subcommittee.

The primary functions of ROS are the development, review and maintenance of Operating Guides, Planning Guides, and other planning criteria and the review of ERCOT reports and operations related to the reliable operation of the ERCOT System. The ROS will perform ERCOT Protocol required review of Ancillary Service provision and commercially significant constraints. The ROS will periodically review ERCOT reports and procedures relating to planning assessment, Partial Blackout or Blackout restoration procedures, coordination of protective relay settings, operational communication facilities, operating reserve obligations, emergency operations, abnormal system conditions, transmission interconnections to generation, coordination of Outage schedules and other activities as they apply to reliability and operations. The ROS will review ERCOT Protocol revisions as they may impact ERCOT System reliability and operations.

The subcommittee will report to the TAC on a regular basis or as otherwise directed by the TAC. The Subcommittee chair will normally attend TAC meetings.

#### **Standing and Ad Hoc Working Groups**

In order to discharge its responsibility, the subcommittee may form standing working groups and temporary or ad hoc task forces with representation on each working group being appointed or approved by the subcommittee. The subcommittee chair, with subcommittee approval, will appoint the chair for each working group to the shorter of a one-year term on a calendar year basis or until the working group is no longer required. The subcommittee will direct these working groups and make assignments as necessary.

Black Start Dynamics Network Data Support Operations Training
Operations
Outage Coordination
Performance, Disturbance, and Compliance
Planning
Resource Data
Steady State
System Protection
Voltage Profile

The Subcommittee may form other standing working groups and temporary or ad hoc task forces on an as needed basis.

All subcommittee working groups are responsible to report planned activities/projects and results to the subcommittee for review and to submit any budget requirements to the subcommittee to be forwarded to TAC for approval. All working group actions are subject to subcommittee review.

#### **Working Group/Task Force Comments or Revision Requests**

ROS Working Groups and Task Forces shall submit Revision Requests and comments per paragraph (F) of Section V, Working Group/Task Force Comments or Revision Request, of the TAC Procedures.

## **Electric Reliability Council of Texas**

## WHOLESALE MARKET SUBCOMMITTEE PROCEDURES

TAC Approved May 25, 2017

**AUSTIN** 7620 Metro Center Drive Austin, Texas 78744 Tel. 512.225.7000 Fax 512.225.7020

www.ercot.com

**TAYLOR** 2705 West Lake Drive Taylor, Texas 76574 Tel. 512.248.3000 Fax 512.248.3095

#### ERCOT Wholesale Market Subcommittee

#### **Subcommittee Structure**

The structure of the subcommittee is included in Section V. of the TAC Procedures.

#### **Scope**

The Wholesale Market Subcommittee (WMS), reporting to the Technical Advisory Committee (TAC), evaluates, and reviews issues related to the operation of the wholesale market in the ERCOT Region and make recommendations for improvement, when deemed appropriate, to TAC. The WMS will be responsible for monitoring Public Utility Commission (PUCT) rulings as they apply to Wholesale Markets and Wholesale Market Participants and ensure that PUCT requirements are reflected in the ERCOT Market Guides and Protocols. The guiding principle behind the work of the WMS is to help ensure an efficient and nondiscriminatory wholesale market for all Market Participants.

The functions of this subcommittee include, but are not limited to:

- Provide input into changes to Ancillary Services provisions of the Protocols
- Provide policy input into evaluations of Resource adequacy in the ERCOT Region
- Involvement in the Settlement rules review and compliance process at the QSE level
- Review and comment on Settlement metering standards and guides
- Monitor of Ancillary Service market operation, Competitive Constraints and congestion
- Review/monitor the dispatch process and dispatcher behavior

The subcommittee will also promptly prepare and submit a revision request for any issues identified that require a change to the ERCOT Protocols. The subcommittee shall communicate with other TAC subcommittees, and shall report back to the WMS on a regular basis. Furthermore, the subcommittee will review Nodal Protocol Revision Requests for effects on the wholesale market.

The subcommittee will report to TAC on a regular basis or as otherwise directed by TAC. The subcommittee will continually evaluate subcommittee functions to identify those that could potentially be performed by ERCOT and submit any recommended changes to TAC. The subcommittee chair will normally attend TAC meetings.

#### **Standing and Ad Hoc Work Groups**

In order to discharge its responsibility, the subcommittee may form standing work groups and temporary or ad hoc work groups with representation on each work group being appointed or approved by the subcommittee. The subcommittee chair, with subcommittee approval, will appoint the chair for each work group to the shorter of a one-year term on a calendar year basis or until the work group is no longer required. The subcommittee will direct these work groups and make assignments as necessary.

All subcommittee work groups are responsible to report planned activities/projects and results to the subcommittee for review and to submit any budget requirements to the subcommittee to be forwarded to the TAC for approval. All work group actions are subject to subcommittee review.



## **Electric Reliability Council of Texas**

# PROTOCOL REVISION SUBCOMMITTEE PROCEDURES

**December 1, 2011** 

## ERCOT Protocol Revision Subcommittee

#### **Purpose**

These procedures are intended to define the roles of participants in the Protocol Revision Subcommittee (PRS), the process for addressing revisions requests, and the relationship with the Technical Advisory Committee (TAC) and other TAC Subcommittees.

#### **Subcommittee Structure**

The structure of the PRS is included in Section V. Subcommittees, of the TAC Procedures. The PRS will follow the election process as described in the Technical Advisory Committee Procedures, Section III, Chair and Vice-Chair, C, Election Process.

#### Scope

The PRS, reporting to the TAC, is responsible for reviewing and recommending action on formally submitted Nodal Protocol Revision Requests (NPRRs) and System Change Requests (SCRs) ("Revision Request"). PRS may refer Revision Requests to working groups or task forces that it creates or to existing TAC subcommittees, working groups or task forces for review and comment on the Revision Requests; however, the PRS shall retain ultimate responsibility for the processing of all Revision Requests. The PRS is also responsible for assigning a recommended priority and rank for any Revision Requests and guide revisions that require an ERCOT project for implementation.

The procedure and timeline for addressing Revision Requests is detailed in Protocol Section 21, Revision Request Process.

#### **Urgent Revision Requests**

Protocol Section 21.5, Urgent Nodal Protocol Revision Requests and System Change Requests, defines Urgent Revision Requests. Revision Requests meeting the criteria will require special processing by the PRS. The following addresses the procedure the PRS will follow when presented with a Revision Request for which Urgent status is requested.

- 1. If a submitter requests Urgent status, the complete Revision Request is forwarded to the e-mail distribution list of the PRS and Urgent status will be considered at the next regularly scheduled PRS meeting or, if PRS leadership deems necessary, a special meeting of the PRS.
- 2. If the PRS acts to grant the Revision Request Urgent status, the Urgent Revision Request will be considered on an urgent timeline as outlined in Protocol Section 21.5.

#### **TAC**

The PRS shall communicate and submit a PRS Report to TAC for all Revision Requests submitted to and reviewed by the PRS according to the timeline described in Protocol Section 21.

- 1. The PRS shall respond to clarifying questions from TAC, relating to the PRS Report.
- 2. The PRS shall respond to a Revision Request that has been remanded to PRS from TAC with an amended PRS Report.

#### **Emergency and Special Meetings**

Emergency and special meetings will be called at the discretion of the PRS Chair or Vice-Chair to facilitate discussions related to Revision Requests and/or guide revisions.

#### 2020 PRS Goals TAC Approved June 24, 2020

- Process NPRRs and SCRs in accordance with Protocol Section 21, Revision Request Process.
- Review the Business Case for each NPRR and SCR that requires an ERCOT project for implementation to ensure that it provides adequate justification for the project.
- Assign a recommended priority and rank for each NPRR, SCR, and guide revision that requires an ERCOT project for implementation.
- Consider requests and assignments from the ERCOT Board and TAC in a timely and diligent manner.
- Review Other Binding Documents (OBDs) annually for elimination or incorporation into Protocols/Market Guides.
- Review aging projects at least annually and make recommendations if additional actions are needed.



To: NH House Science, Technology & Energy Committee

CC:

From: Samuel Golding, President, Community Choice Partners, Inc.

Date: 11 February 2021

RE: HB 315, relative to the aggregation of electric customers

Dear Rep. Vose & Members of the NH House Science, Technology & Energy Committee:

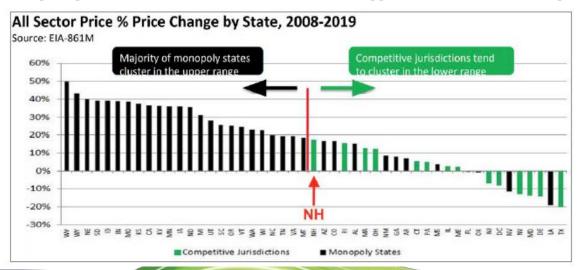
As an expert with over a decade of experience in Community Power markets and an advisor to the Community Power Coalition of New Hampshire joint-action initiative, I write to express and explain my resolute opposition to HB 315.

While purporting to make minor changes to RSA 53-E in support of Community Power, HB 315 is actually a brazen monopoly power grab — that would systematically foreclose the pro-market and pro-democracy reforms set in motion by SB 286 a year and a half ago.

Strong political leadership is needed to strengthen retail markets and countermand monopoly power in New Hampshire's electricity industry. The below resources provide valuable context as to why:

- The article "The Need for Electricity Retail Market Reforms" published in the Cato Institute's Regulation Magazine in 2017, explaining why it is high-time to "quarantine" monopoly utilities by ending their control over retail customer services and default supply.
- My 2019 memo to Governor Sununu in support of signing SB 286 into law, explaining how it
  would overcome long-standing, structural barriers to animating New Hampshire's retail market,
  modernizing the electrical grid and unlocking cost-saving innovations in retail customer services.
- My 2020 Local Government Coalition testimony submitted to the NH PUC in DE 19-197 —
  analyzing the poor performance of New Hampshire's retail electricity market and state-regulated
  monopoly services to-date, detailing how fully restructured markets (e.g., Texas) operate in
  practice, and explaining how ending monopoly control over customer data while implementing
  the full Community Power authorities enabled by SB 286 will catalyze innovation for retail
  customers throughout the state.

It is critical to strengthen New Hampshire's retail electricity market — which, at present, ranks dead last in terms of price performance in relation to other states that support more robust retail competition:





The fact is that a quarter century after passing the Electric Utility Restructuring Act (RSA 374-F), New Hampshire's market remains only partially restructured.

As <u>my DE 19-197 testimony</u> made clear, the retail market is both structurally uncompetitive and anemic. Four out of five customers still remain on utility default service, and for the customers that do participate in the competitive market, the top 3 competitive suppliers exercise too much retail market power (which lessons price competition and innovation).

The reason why is simple: the market simply hasn't been designed to succeed. As my memo to Governor Sununu explained, New Hampshire has been caught in a self-reinforcing trap wherein utilities and state regulators have proven unwilling or incapable of developing the infrastructure and nimble processes necessary to support retail market innovation and expansion — which is why SB 286 decentralized control over these decisions.

Instead of relying on state regulatory proceedings to debate which market innovations should or should not be allowed, Community Power relies on competitive market expertise and local governance to make decisions directly, and has all the authorities necessary to provide customers with innovative services and intelligent technologies.

HB 315 would surgically strip away the very authorities necessary for Community Power programs to engage in "permissionless innovation" in practice, namely: advanced metering, consolidated billing, the incorporation of local resources, and flexibility in terms of managing electricity supply portfolios.

These are not monopoly services, and there is no credible reason why regulated utilities should continue to control these functions. As the <u>Cato Institute article</u> makes clear, no state outside of Texas has fully restructured their electricity markets — and the need to do so is urgent, because centralized state regulation and monopoly control cannot possibly keep pace with the level of technological change playing out right now.

Community Power represents the way forward for New Hampshire. By side-stepping outdated regulatory restrictions and legacy utility technologies, it has finally cleared the way for all Granite Staters to benefit from restructuring.

I thank you for your attention to this matter and urge you to support the long-overdue restructuring of New Hampshire's retail electricity mass market — by finding HB 315 Inexpedient to Legislate.

Samuel V. Golding

President, Community Choice Partners, Inc. 415.404.5283 golding@communitychoicepartners.com 12 South Spring Street, Concord, NH 03301



July 17, 2019

The Honorable Chris Sununu
The Governor of the State of New Hampshire
N.H. State House
107 North Main Street
Concord, NH 03301

Re: SB 286-FN-Local, Relative to Aggregation of Electric Customers by Municipalities and Counties

#### Dear Governor Sununu,

I write in support of enacting SB 286. After reviewing the proposed bill and related materials, and interviewing local stakeholders, I have concluded that — in comparison to the states that currently allow or are considering enabling<sup>2</sup> Community Choice Aggregation — New Hampshire has put forward the most technically expert conception of this policy framework to date.

By way of introduction, I am the former Managing Director of the consultancy Local Power, Inc., which co-wrote the original enabling legislation in Massachusetts and California, have worked to evolve the governance and operating models of Community Choice agencies for a decade, and advise on utility and community partnerships more broadly.

In contrast to more limited conceptions of Community Choice, SP 286 is best viewed as a key strategic initiative to support both the modernization of New Hampshire's electric grid and its competitive retail power market — because its proponents:

- 1. Have demonstrated a clear view of how to tackle the underlying IT infrastructure and regulatory barriers that are currently holding back private-sector innovation in the retail electricity industry;
- 2. Intend Community Choice initiatives to work collaboratively with utilities and other stakeholders to enhance New Hampshire's Grid Modernization decision-making process; and
- 3. Understand how Community Choice initiatives should thereafter 'fill gaps' in the retail value chain, by working with the private sector to accelerate customer adoption of new technologies and services.

Now more than ever before, it is a strategic imperative that governance becomes nimbler and more operationally-informed in order to address how technology is changing in the power sector. SB 286 would set this process in motion for New Hampshire. Its proponents intend to use Community Choice as a vehicle to educate local elected officials, businesses and citizens on how to remove barriers to private-sector innovation — from an operational, 'real world' perspective. For a number of reasons, this is the 'missing link' that has held back the evolution of the power industry.

The 'technical' part is not hard to explain at a conceptual level. Every day, more and more customers have technologies that can <u>intelligently</u> shift electricity usage to lower-priced wholesale market intervals (smart thermostats, water heater controls, batteries and the like). But if you have ever tried to actually

<sup>&</sup>lt;sup>1</sup> Community Choice markets: Massachusetts, New York, New Jersey, Rhode Island, Ohio, Illinois and California

<sup>&</sup>lt;sup>2</sup> Community Choice under consideration: Virginia, Arizona, New Mexico, Oregon, Maryland, and Connecticut

use the data from your utility meter to do something like this, you will know that it is impossible. Almost all customers in Liberty and Eversource territories lack interval meters, and while Unitil was an early adopter of interval meters, the design of their communications architecture has imposed severe constraints. The quality and availability of data is not reliable, and the time interval of the data supplied isn't aligned with wholesale requirements. This has prevented retailers from providing innovative products to all but the largest customers. There are few enabling services for the majority of customers, because New Hampshire lacks the IT infrastructure required to support an advanced market.

Like many states, New Hampshire is about to tackle this 'Grid Modernization' challenge. What should concern you is the fact is that, despite all the accompanying fanfare, investments in Advanced Metering Infrastructure across the country have largely built a 'bridge to nowhere.' As the industry is currently structured, none of the stakeholders involved in the design process have demonstrated the requisite motivation, technical knowledge, customer-oriented culture and sense of urgency required to actually animate an innovative retail market.

We know how we got here. State regulatory commissions and utility practices evolved over a century when electricity usage patterns were predictable, centralized infrastructure could be administered in a siloed, top-down fashion, and there was no Internet. Procedurally and culturally, the decision-makers involved in Grid Modernization initiatives invariably adopt incremental approaches that produce 'one step forward, two steps back' results — because what we need is actually a 'systems thinking' redesign that incorporates consumer preferences, local infrastructure and private sector innovations. It is a costly mistake that has been repeated time and again, creating missed opportunities and market distortions. It is not necessarily anybody's fault, but after so many years, it has become clear that we need to involve stakeholders who want to fix the market from a competitive, operational point of view.

Simply put, everything has changed in the power industry except how we allow ourselves to make decisions — and evolving beyond the 'institutional and cultural inertia' that defines regulated decision-making is our biggest challenge. I urge you to consider SB 286 within this context:

- The power industry Grid Modernization efforts in particular —is caught in a 'catch-22':
  - Utilities, regulators consumer advocates, etc. lack situational awareness regarding new technologies, third-party services and the infrastructure and products different communities and customer groups actually want — that is not their job.
  - Similarly, it is not the job of innovative companies to inform the regulated process governing IT infrastructure decisions few, if any, invest the time and resources required to participate.
  - The consequent 'knowledge gap' in the decision-making process leads to Grid Modernization schemes that fail to support an advanced retail market structurally and for years.
- SB 286 has been designed to bridge this gap, by relying on Community Choice initiatives to:
  - Leverage private-sector partners to rapidly educate local officials and stakeholders throughout the state on what the 'front lines' of the competitive retail electricity business requires in practice;
  - Collaborate across technology vendors, utilities, energy suppliers, regulators, policy-makers, civic and business associations, and customers to identify regulatory, business process and IT infrastructure "bottlenecks" that preclude advanced retail services; and
  - Work together to share new information and remove barriers, so that innovative technologies, services and market competition function seamlessly to satisfy customer expectations.



No other state has 'connected the dots' in such a profound fashion, and the potential benefits for New Hampshire are already becoming apparent. Consider these three recent examples:

- 1. Unitil deployed Advanced Metering Infrastructure that has proven operationally insufficient and been under-utilized by retail customers as a consequence;
- 2. Eversource deployed an outdated Automated Meter Reading system incapable of communicating interval usage, and is now facing cost-recovery protests by consumer advocates as a consequence;
- 3. Liberty Utilities is already working with the City of Lebanon on interval meter, dynamic retail pricing, and distribution grid integration pilots and future collaborations with "Lebanon Community Power" (under SB 286) would strengthen their broader Grid Modernization efforts.

Looking ahead, after the intelligent data infrastructure and business processes have been put in place, customers will need to be educated on the new opportunities and offered innovative products. Most people do not want to spend an inordinate amount of time reviewing energy supply contracts and technology performance agreements line by line, every few months. All customers want the convenience of trusted vendors offering convenient services in a functioning marketplace, and it is our responsibility to create it.

Proponents of SB 286 have a clear view of how properly-designed Community Choice programs will play a key enabling role in making this vision a reality for New Hampshire — by simultaneously:

- 1. Working with innovative private-sector partners to expand market access lowering barriers to contracting opportunities while ensuring that customers are treated fairly;
- 2. Working with utilities and technology firms to deploy the right 'block and tackle' IT infrastructure, business services and retail products so new technologies and services deliver customer benefits;
- 3. Working with wide range of public and private stakeholders to ensure that the market structure continues to evolve and embraces new technologies under a nimble, flexible mode of governance.

The power industry must keep up with the times. Customer adoption of new technologies can create immense value for society, provided that governance affords the flexibility to do so. Conversely, uninformed and inflexible governance will steer the market into inefficient and unstable outcomes. SB 286 would ensure that New Hampshire takes the right path — and would provide critical leadership for other states evaluating how best to modernize their electricity grids and competitive retail markets.

Please reach out directly if I can assist your staff in further evaluating this opportunity. I am available to meet at the State House, via phone (415) 404-5283 or via email golding@communitychoicepartners.com

Samuel V. Golding

President

Community Choice Partners, Inc.

12 South Spring Street Concord, NH 03301 31 Hussey Street Nantucket, MA 02554 3165 Mission Street San Francisco, CA 94410



#### February 12, 2021

Chairman Vose and Members of the Committee,

For the record, my name is Marc Brown and I am the Executive Director, New England for Consumer Energy Alliance, or (CEA). CEA is a nationwide association made up of both energy consumers and producers working to advance an all-of-the-above energy policy that will lower energy costs for every American. CEA supports actions that thoughtfully advance our nation towards a cleaner, more environmentally responsible energy future. We believe that responsible policies always consider the needs of consumers while leveraging and supporting the development of state-of-the-art technologies to improve our environmental stewardship, aiding in the continued reductions of all emissions.

On behalf of CEA I want to thank you for the opportunity to provide this written testimony today in support of HB 315 sponsored by Chairman Vose.

The piece of HB 315 in which we are most interested is the section that repeals a part (highlighted in yellow) of RSA 53-E:5 which states:

Financial Responsibility. — Retail electric customers who choose not to participate in an aggregation program adopted under RSA 53-E:7 shall not be responsible for, and no entity shall require them to pay, any costs associated with such program, through taxes or otherwise except for electric power supply or energy services consumed directly by the municipality or county, or incidental costs, which may include costs necessary to comply with the provisions of this chapter up to the time that the aggregation starts to produce revenue from participating customers.

The inclusion of "incidental costs" to non-participants who choose to opt-out of a Community Choice Aggregation (CCA) program is problematic. Incidental costs are neither well-defined nor restricted in any way under current statute. Could they include start-up costs that should otherwise be borne by the aggregator? Ongoing operational costs? There is one potential cost to non-participants that concerns us more than any other and that is the potential for an exit fee charged to customers who choose to opt-out of a CCA program after implementation.

While this may seem unlikely exit fees have been proposed and enacted in other states<sup>1</sup>. In California, a Power Charge Indifference Amount (PCIA), which is essentially an exit fee on customers leaving standard offer service to CCA programs, was authorized by the Public Utilities Commission to account for lost load and other legacy costs.

<sup>&</sup>lt;sup>1</sup> https://www.latimes.com/business/la-fi-puc-utilities-exit-fees-20181011-story.html



Maryland's CCA bill (HB 561) which was introduced in 2020 included language that gave the Public Service Commission oversight over *any* exit fees

Whether or not these exit fees are necessary is debatable but the common denominator of Commission oversight in each of these scenarios isn't guaranteed under New Hampshire's current Community Choice Aggregation statute.

I think we can all agree that a great many consumers, including low- and fixed-income customers, won't initially be aware that they are now receiving their power via community aggregation. We should protect consumer choice by ensuring that those customers, and those who choose to opt-out, aren't charged excessive fees or become responsible for other poorly defined and unrestrained incidental costs.

To be clear, CEA is not opposed to Community Choice Aggregation in New Hampshire, but current law opens a Pandora's Box to potential costs that could hold consumers captive to CCA programs and restrict their ability to choose their electricity supply.

HB 315 would eliminate the possibility of that happening and for that reason, on behalf of CEA, I urge you to recommend HB 315 as Ought-to-Pass out of committee.

Respectfully,

Marc Brown
Executive Director, New England
Consumer Energy Alliance
PO Box 118
Exeter, NH 03833-2782
mbrown@consumerenergyalliance.org



14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

Representative Michael Vose, Chair House Science, Technology, & Energy Committee Submitted via email

#### Testimony on HB315: relative to the aggregation of electric customers

Dear Chairman Vose and members of the Committee.

Clean Energy NH (CENH) is a non-profit member-based organization. We are New Hampshire's leading clean energy advocate that is dedicated to supporting policies and programs that strengthen our state's economy by encouraging a transition to renewable energy and promoting energy efficiency.

**CENH strongly opposes HB315**, which would undercut the innovative potential of businesses to offer customers new products and services through Community Power. This bill would severely limit the implementation of Community Power as it was envisioned for NH, also known as municipal aggregation or community choice aggregation, and the potential for municipalities to make their own electricity supply decisions through Community Power. Furthermore, HB315 entirely undermines the intent of the recent updates to RSA 53-E, which had bipartisan support in 2019.

Over the past 1.5 years, CENH has been doing a lot of education with our local community partners on the potential for Community Power and frankly there is a lot of enthusiasm for the possibilities offered by municipal aggregation. Our municipalities and counties want the full menu of options offered by our updated community power policy, even if they may opt to start with a simpler model many of them plan to build and add to their programs in the future. HB315 proposes to severely restrict our community power programs to effectively resemble the simple Massachusetts model. It would be unfortunate to emulate the programs of our neighboring state to the south when our policy currently offers the potential for true innovation to benefit electricity ratepayers, offer customers choice where there has previously only been monopolies, and offer true local control over electricity supply and other services.

HB315 would eliminate Community Power program's ability to contract directly with local electricity generators. This would restrict their ability to make conscientious decisions regarding where their energy supply comes from. Community Power, as it stands today, provides New Hampshire cities and towns with the ability to contract with local renewable energy resources. Utilizing local renewable energy in conjunction with Community Power can reduce the cost of energy for the participating residents and business and provides an avenue to meet important,



14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

local emissions reductions goals while reinvesting our energy spending locally. By allowing municipalities to make energy supply choices through local control, municipalities can lower the cost of energy for their residents and businesses while enabling the broad use of renewable energy resources that can bolster the local economy and provide local jobs, keeping energy dollars within NH's borders.

Lastly, Community Power, left intact and unaffected by HB315, encourages competitive and innovative market opportunities for energy supply and other services. Restricting options and choice regarding energy supply for the sake of simplicity is not cost effective or prudent for ratepayers. Rather, it mandates the use of monopolistic and regulated services, which would hinder the growth of our clean tech economy in New Hampshire. CENH opposes HB315 because we support more opportunities for advanced energy supply models in New Hampshire to encourage cost savings, the creation of local energy jobs, and affordable access to renewable energy resources.

For the reasons described above, CENH asks you to find that HB315 is Inexpedient to Legislate.

Madeleine Mineau

Executive Director Clean Energy NH

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Juden Pleas

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#### **ENERGY & ENVIRONMENT**

# THE NEED FOR ELECTRICITY RETAIL MARKET **REFORMS**

An innovative 21st century retail electric power market is within reach, but won't emerge until we ditch 20th century regulations.

#### **➡** BY MICHAEL GIBERSON AND LYNNE KIESLING

chool budgets always seem tight, so you might be surprised that state regulators would seriously consider a proposal that would increase school operating costs by millions of dollars as part of an effort to boost monopoly electric utility profits. Yet Michigan legislators came close to adopting such a proposal in 2014 when they considered ending the state's customer choice option for retail electricity consumers.

School administrators working with the nonprofit Michigan Schools Energy Cooperative (MISEC) told legislators that retail energy choice helped them save almost \$15 million in 2013. MISEC has helped Michigan schools save over \$120 million since it was formed in 2000, the year the state first allowed customer choice. Eliminating customer choice meant schools would have to cut services elsewhere.

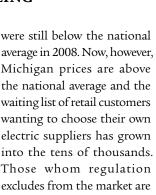
Ever since Michigan allowed retail customer choice for electric power, the state's regulated electric utilities have pushed to return to the comforts of being regulated monopolies. In 2008 the utilities convinced regulators to cap the popular option at just 10% of the market. Average retail power prices were just below the national average when customer choice began in the state, and

waiting list of retail customers excludes from the market are clamoring for choice.

#### WHATEVER HAPPENED TO DEREGULATION?

The Michigan experience exemplifies the last two decades' halfhearted push into customer choice reforms for electric power. The hope of reformers in Michigan and elsewhere was to bring to electric power the same burst of innovation, better prices, and customer-oriented growth that had resulted from the deregulation of airlines, trucking, financial services, and other industries in the late 1970s and 1980s. There is some evidence that it is working, too, if you look in the right places-Michigan schools, for example.

The customer choice movement was strongest in states with especially high power prices in the 1990s, like California, New



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York, and Massachusetts. A few moderate-priced states with well-organized industrial energy consumers, like Michigan, Ohio, and Texas, also pursued reform. If regulated monopoly was the problem, then reform meant allowing competition and giving customers the ability and responsibility to choose their own electricity supplier. By early 2001, about 20 states had begun reforms and millions of electric power consumers gained at least some freedom to choose their retail supplier.

Yet when California's newly restructured system fell apart in 2000–2001, the push for deregulation stopped faster than it started. (See "Special Report: The California Crisis," Fall 2001.)

States that had not initiated reforms simply abandoned deregulatory proposals. Others froze reforms, limiting competition to a fraction of mostly industrial and commercial customers. Only 15 states continued to push for competition, more cautiously than before.

The passage of time has given us perspective on the California market meltdown, and we now have experience with retail competition from the states that stayed the course. The industry has also changed much in 20 years, with new and better technologies for power generation, communication, and coordination now available. We have a deeper understanding of the resource

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opportunities and environmental tasks we face, and reasons to appreciate both the role of policymakers and the wisdom behind limits placed on their reach.

It is time to take a fresh look at the case for retail electric power competition. Vast advancements in digital technology provide the basis for dramatic change in the electric power industry. For these developments to emerge, however, the distribution grid must transition from its one-directional, utility-to-consumer flow to support multi-directional flow. Homes, small businesses, office parks, and other utility customers are already shifting from pure consumers to being hosts for distributed energy resources on a small scale, with technologies like microgrids, rooftop solar, and electric vehicles. The potential for distributed generation and greater customer interaction is much larger than 20 years ago.

The technology for this transformation already exists. Computers and telecommunication technology are merging with distributed energy systems. At the leading edge, programmable thermostats have given way to smart home energy management systems that enable consumers to automate changes in their appliance and device settings. Great possibilities arise from the "internet of things," a vision of device-to-device coordination working automatically to achieve consumer goals at low cost. This vision enables smarter energy use that can produce both environmental benefits and consumer savings.

## THE CHOICE BETWEEN MONOPOLY AND COMPETITION

The historical logic of utility regulation was as follows: the electric utility industry offered significant economies of scale—the larger the utility, the lower the average cost of producing power. If competition were to be permitted, the largest of the competitors could undercut its competitors and become a monopolist, and would then be in a position to raise prices and obtain excess profits. By granting a state-protected monopoly territory, the state enabled the utility to achieve economies of scale, but in exchange the state asserted authority to regulate utility rates to protect consumers.

Utility regulation also had an economy-of-scope rationale. The need for continuous close matching of the quantity of electricity produced and consumed on the grid provided significant economic and reliability benefits from vertical integration across the retail, "wires," and generation sectors of the industry. Transaction costs would have overwhelmed any early attempt to develop a large-scale local distribution system involving multiple generating companies and many competitive power retailers on an interconnected grid.

Technical advance has undermined both the economies-of-scale and economies-of-scope rationales for monopoly in electricity. For many years, building larger generating units and larger distribution networks lowered average costs. But beginning in the 1970s the trend toward lower average costs from bigger and bigger

utilities came to an end. Smaller generation units were developed that were as cheap or cheaper when matched to the right location, and the recent advances in natural gas drilling that have lowered natural gas prices have amplified that trend. Advances in digital technologies have significantly reduced the transaction costs of continuous coordination among many generating firms.

Perhaps only the power delivery system—the distribution and transmission grid—still shows natural monopoly characteristics. It is no longer necessary for all power production and delivery assets to be owned and managed by a single company. Yet electricity distribution utilities are still substantially subject to monopoly-based regulation.

The internet, with all of its dynamic possibilities, was in large part made possible because telecommunication companies were freed from such monopoly-based regulation. Critical to the internet's dynamism is its openness to experimentation and learning. The internet allows permissionless innovation: within very broad technical and contractual limits, just about anyone can try just about anything.

Economic regulation, however, is fundamentally a permission-based system. Because any new development or change in regulated service requires approval from the utility commission, regulation tends to slow or stifle innovation. Legal entry barriers, bureaucratic procedures for cost recovery, and the risk aversion of both regulator and regulated, all undermine processes that enable innovation. Perhaps ironically, while the most dynamic sectors of the economy are powered electrically, the electric power industry remains largely stuck with 20th century ways of doing business. These old ways discourage innovations that could help the industry better meet the needs of 21st century electric power customers.

The public policy choice to grant monopolies to vertically integrated electric utilities always faced tradeoffs between the innovation and value that would have resulted from competition and the lower costs and more reliable supplies from a regulated monopolist. For many years, both consumers and regulated monopolies seemed better off from the system. This conclusion is no longer true. The costs of blocking competition are growing larger and the benefits smaller. The reasons to prevent customers from picking their own suppliers have faded.

What next? Delivery of electric power is likely to remain mostly a monopoly for the foreseeable future. Allowing competition to grow elsewhere requires isolating the regulated monopoly from competitive sectors. The first step, then, is to quarantine the monopoly. Second, the regulated distribution monopoly must be organized to support transactions among many suppliers and many consumers. Third, the role of utility regulators must shift from market overseer to something more akin to referee.

#### QUARANTINE THE MONOPOLY

What of the 15 years or so of experience with retail choice in the states that stuck with reforms after the California market disaster? The results disappoint some market advocates. While retail competition for industrial and large commercial customers is strong, at the residential level markets remain weak in most of the 15 states that allow retail choice. Only in Texas has retail rivalry been robust for residential consumers. While the reasons for weak competition are debated by industry insiders, the Texas exception is telling. Texas, much more clearly than in any other state, has "quarantined the monopoly."

The phrase "quarantine the monopoly" was devised by William Baxter, an assistant attorney general for the U.S. Department of Justice and the primary architect of the 1982 settlement of the federal government's antitrust case against the AT&T monopoly. One of Baxter's principal concerns about AT&T was that the company would have incentives and opportunity to extend its monopoly into related markets to the detriment of competition.

Most restructured states have failed to effectively quarantine the monopoly in electricity in large part because the incumbent monopolist's role as a default provider created a cost of entry that deterred competitors.

In response, he proposed limiting the harm to competition in related markets by isolating the regulated monopoly as much as possible from these markets. This policy of quarantining the monopoly has become known as "Baxter's Law" (and also as the Bell Doctrine).

Texas very clearly quarantined the "wires" monopoly when it restructured its retail power market. Over most of the state, the large, vertically integrated utilities were spun off into separate energy retailers, generation resources, and wires companies. Only the wires companies retained status as regulated monopolies. Texas also chose not to have incumbent default service, which other restructured states retained and which keeps the incumbent in the retail market, even if the generation cost is a pass-through.

With these changes, competition has emerged quite robustly in Texas. Most residential customers in the competitive markets in Texas can choose from over 40 different potential retail energy providers and have over 200 different products to choose from. Over 90% of customers have switched providers at least once since competition began. Consumer products offered include both long-term and short-term fixed rates as well as variable rates, renewable content varies from a few percent to 100%, and consumers with solar panels on their property can sign up for "net metering"–style offers from competitive retail suppliers. The Public Utility Commission of Texas reports electric

rates in areas open for retail competition have fallen by about 30–40% compared to the regulated price that prevailed prior to opening the market.

Most restructured states have failed to effectively quarantine the monopoly in electricity in large part because the incumbent monopolist's role as a default provider created a cost of entry that deterred competitors. In Michigan, some customers jumped at the chance to dump the former monopoly provider, but regulated "default service" rates offered by the incumbent utility made it difficult for competitive providers to gain much of a foothold.

Ohio provided for retail competition in 2001, requiring investor-owned utilities to unbundle their services and charges for generation, transmission, and distribution; customers were allowed to choose their own retail supplier. But unbundling

services into affiliated companies does not provide the needed quarantine around the monopoly, and competition in Ohio has suffered because of it. After a very slow start, just over half of Ohio residential customers have switched from the utility-offered default service, but most switching has been through customer aggregation programs run by local governments rather than competitive suppliers. Municipal power purchases on behalf of end customers is a far cry from the dynamic retail mar-

ketplace needed to promote customer-serving innovations.

The results in other states vary, but a survey of ongoing state legislative and regulatory efforts suggests unhappiness with the current half-way reforms now more than 15 years old. New York, while engaged in a multi-year regulatory push to re-imagine the future of competitive retail power in the state, has simultaneously been imposing tighter, more cumbersome controls on existing competitive retail suppliers. Illinois, too, has been talking about grander visions for a dynamic future, but retains policies like incumbent default service that stifle competitive entry. Connecticut offers customer choice, but it recently banned competitive suppliers from offering contracts with market-based variable pricing.

As Baxter feared with the AT&T monopoly, states that left regulated electric monopolies in the retail supply business have seen these monopolies grow at the expense of competition. Quarantining the monopoly appears to be the single most effective approach to bringing about robust retail competition. It may be the *only* effective approach.

#### **BUILD PLATFORM MARKETS**

Once the delivery system monopoly has been quarantined from generation and retailer interests, two policy issues remain: what rules should govern regulated delivery service, and what rates should apply. The delivery company will remain a local

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monopoly, and therefore its terms of service and rates will continue to be regulated by the state government. To support the growth of competition and innovation, the rules and rates should be as neutral as reasonably possible with respect to producer and consumer technologies, retailer business models, and customer classes.

Environmental policy goals and other social policy goals are best dealt with directly rather than trying to engineer distribution rules to achieve policy outcomes. The regulated distribution system rules should not operate to discriminate in favor or against, say, renewable power technologies or customers with self-generation capability. Interconnection standards should be developed and harmonized across distribution utilities within

a state and across states. Widespread standardization of technical requirements will minimize regulatory barriers to entry for distributed energy resources and other customer systems such as electric vehicles or residential batteries. The primary policy goal in developing such standards should be to support permissionless innovation while ensuring that customer equipment does not hamper system performance.

The wires company is the physical platform for delivering power to and from retail customers. This physical platform should be complemented with a market platform to help buyers and sellers on the grid come together in ways that coordinate the use of the power delivery system. This local delivery system integrated with an energy market is best conceived as a platform market.

One proposal for platform market organization is the Independent Distribution System Operator (IDSO) model: an independent entity charged with planning functions and operational control of the distribution grid that is separated from ownership of the distribution system assets. The proposal resembles the integrated wholesale markets and transmission system operations of regional transmission organizations such as the New York Independent System Operator (ISO), PJM, and the Midcontinent ISO. IDSOs are recommended for distribution utilities with a high degree of distributed energy resource penetration as better able to offer non-discriminatory access and transparency while reducing market power concerns.

The IDSO split of asset ownership and control is especially critical if the distribution utility has not been well quarantined from generation and retailing interests. The critical independence is from economic interests in specific generation assets or retailer services. The rules governing the platform market and use of the grid will be important to fostering innovation.

As an illustration of this point, consider the potential of smart meters and the data they make available. Utilities frequently wish to monopolize control over customer-related data, but consumers can benefit from (carefully managed) sharing of data with energy retailers and other service providers. Smart meters can be important innovation enablers that lower costs and aid in achieving customer goals. Both the value of electrical energy to consumers and the cost to suppliers can vary dramatically over the course of a day. Smart meters can track how much electricity is flowing across the instrument throughout the day and share that information with retail suppliers and customer energy management systems, enabling more sophisticated market and energy consumption strategies. The old analog meters, read manually once a month, would block many potentially valuable business models. A smart-metered distribution utility that withholds detailed data even from the consumer can just as easily block

The primary goal in developing interconnection standards should be to support permissionless innovation while ensuring that customer equipment does not hamper system performance.

potentially valuable services.

While most distribution utility costs reflect capital investments, reliable operation of the distribution system requires energy consumption and may involve some transactions between the distribution utility and energy suppliers (or flexible consumers). The IDSO model readily lends itself to transparent, competitive procurement processes. To the extent the distribution system does engage in the procurement of services from energy market participants, such services must be obtained through a transparent, competitive process so as to avoid creation of any conflicts of interest. The distribution platform utility should not itself be a market participant.

#### **DISTRIBUTION UTILITY RATES**

The clash of public goals can lead to politicized utility rate cases. Efficiency advocates, renewable energy supporters, and other environmental interests join industrial and commercial consumers and state consumer advocates to lobby public utility commissions into tilting the rate design one way or another. "Not-In-My-Back-Yard" activists show up to protest planned projects. Utilities want to boost their rates of return. Sometimes, regulatory decisions spill over into court cases. The consequences can be large enough to justify these efforts, but the product is not necessarily reliable power at the most reasonable cost.

Policies governing rate cases must shift to support retail competition. There are two parts to this issue: first, how costs of the regulated "wires" utility and related wholesale costs are recovered

from retail power suppliers; and second, how retail power suppliers recover their expenses from end-use customers. The better the rules governing regulated utility rates, the more dynamic the retail energy market will be.

Quarantining the monopoly dramatically shrinks the rate case challenge because distribution system expenses are only one-quarter to one-third of the typical electric bill, but the remaining monopoly will still have regulated rates. Such rates should be designed to recover revenue requirements while remaining as neutral as possible toward the diverse business plans of grid users.

Decoupling the distribution utility's revenue recovery from energy sales is one step toward neutrality. Decoupling provides for periodic rate adjustments to ensure the utility recovers its revenue requirement, neither more nor less. Energy efficiency advocates promote decoupling as a way to remove a bias toward energy sales created by traditional rate designs. From the point of view of supporting competition, the value of decoupling is a way of further quarantining the monopoly. If increased throughput boosts a utility's rate of return, then the utility's interests will be biased toward some customer plans and against others. Decoupling enhances the quarantine by reducing that bias.

In addition to paying for use of the regulated grid facilities, retail power suppliers must acquire and pay for balancing energy and other distribution grid support services through the IDSO's platform market. Efficiency will be enhanced by pricing that balances energy and grid services in ways that reflect real-time conditions on the grid. The best such pricing method is distributed locational marginal pricing (DLMP). While DLMP introduces some complexity to the market, it is far superior to simpler alternatives.

To further support competition, the regulated rates and platform market expenses should be recovered from retail power suppliers rather than directly from end-use consumers. The retailer may simply pass through the utility charge as a few lines on its bill or it may bundle in the charge in some manner. Innovative approaches to consumer rates will be enhanced if the manner in which retailers pass through distribution charges is not dictated by regulators.

Individual consumers need not be exposed to continuously variable, sometimes unpredictable market prices in order to achieve economic efficiency. So long as competitive retail suppliers must cover the costs of grid-usage by their customers, retail suppliers will have the incentive to offer contracts that work to encourage efficient use of the grid. Of course, automation via transactive technologies makes dynamic prices easier for customers to manage as well.

Advanced technologies such as digital smart meters enable rate designs that send more accurate price signals for both energy use and distribution system use. Instead of the still-common bundled flat rate, competitive retail suppliers could offer customers time-of-day sensitive rates, market-price rates, and other dynamic rate

designs. Some competitive retail suppliers in Texas have offered customers "free nights and weekends," policies reminiscent of early cell phone rates. Dynamic energy pricing can allow customers to lower their bills by shifting their consumption (e.g., running the dishwasher) from times of day when the grid is at its peak use and costs are high. When customers are encouraged to shift consumption away from peak, overall system efficiencies are improved, which lowers prices for even those consumers who subscribe to flat-rate services.

Automation and digital communications technology reduce transaction costs and make possible more granular, time-specific "wires" charges reflecting real-time costs of system resource use. Such an approach can promote overall system efficiencies and reduce cost-shifting among customers better than increasing fixed-cost allocations or raising demand charges—regulatory tools sometimes employed in response to growing levels of distributed energy resources.

#### THE ROLE OF THE REGULATOR

The role of the regulator will necessarily change. The regulator will remain engaged in cost-of-service regulation for the distribution system and therefore retain oversight over capital spending and service offerings. Standard cost-of-service rate regulation provides for a reasonable rate of return on capital investment, but it simply passes operating expenses on to customers without offering the utility other profit opportunities. As a result, regulated utilities can be biased toward "asset heavy" solutions to potential system concerns. The potential inefficiency is reduced when the regulated monopoly is limited to the wires-based portion of the system, but it remains a concern. Regulatory oversight of capital investment by the utility continues to be an important task.

However, regulator responsibility with respect to other expenses will shift toward ensuring a smoothly operating, competitive market. Most significantly, regulators will oversee the rules of the platform markets. This aspect of the regulatory mission should be guided by three interrelated principles: innovation, competition, and dynamism.

Many state regulators have found it valuable to establish online information clearinghouses for competitive retail offerings like powertochoose.org in Texas and papowerswitch.com in Pennsylvania. Centralizing and standardizing the presentation of consumer information makes it easier for customers to shop.

Such systems are not without controversy. Some competitive retail suppliers in Texas have carefully designed rate offerings to appear first in most search results, even though few customers will achieve an average rate as low as advertised. The standardization of information presented on state websites may overly focus consumer attention on price or customer ratings and inadvertently impede the ability of competitive retail suppliers to innovate on other product margins. Nonetheless, information clearinghouses appear to encourage competition.

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#### THE RELIABILITY CHALLENGE

Utilities have pushed back against unbundling of vertically integrated companies by raising reliability issues. Reliability concerns were frequently front-and-center when retail restructuring debates began two decades ago. Similarly, with the debate over implementation of the Public Utility Regulatory Policies Act a decade and a half earlier, reliability concerns were frequently cited in defense of the established way of doing things. With each step toward competition it has become clear that reliability can be preserved on the system outside of vertically integrated monopoly control.

With the right rules governing retail markets, price signals will help coordinate customer actions and system needs. Operators should find reliability easier to manage.

Reliability remains a priority for the distribution company and for the regulator. Many reliability practices would remain the same as today, from proactive tree-trimming to participation in the electric utility industry's mutual assistance network for post-storm service restoration.

However, the information and communications technologies constituting the smart grid open up exciting possibilities. Smart grid technologies and their transactive nature mean that reliability need not be a "one size fits all" kind of service. A home energy management system could selectively turn off power to certain rooms or appliances during grid emergencies or during times of high prices, with no effort from or disruption of the homeowner. Smart grid technologies make it feasible for a retailer to offer contracts that interact with the consumer's energy management system. Rather than the coarse tools of brownouts or rolling blackouts in emergency conditions, a smoothly managed curtailment of low-value power consumption would be the first response. With the right rules governing retail markets, price signals will help coordinate customer actions and system needs; operators should find reliability easier to manage.

#### **CONCLUSION**

Can it work? Yes. While no one-size set of policies will fit everywhere, several states have shown that greater consumer choice in electric power works.

States including Pennsylvania, Maryland, and Illinois are taking further steps toward empowering consumers. In Texas, most consumers can choose from among hundreds of different power contracts featuring a range of environmental and other attributes. Consumers with residential solar can sign up for a net metering

contract through a competitive retail power supplier—no contentious state policy battle necessary.

The wires remain regulated by the state utility commission, as do a number of other features of the electric industry, but within the bounds of the rules consumers find a wide range of choices. Among the innovations around the distribution edge are product offerings that bundle in smart home thermostats or other home energy management options with electric power service.

Current business models and regulatory practices governing electric utilities discourage innovation and make it more difficult

for energy resources to flow to consumers in an effective, efficient, value-maximizing manner. But innovation is happening around the edges of the distribution utility, and pressure is building for a new wave of regulatory reforms.

Will such reforms boost consumer choice or lead to a more politicized electric industry? There is an opportunity to cut back monopoly power, promote greater customer choice and customer responsibility for energy production and use, and

let consumers get more of what they want from the electric power industry. Building an open, competitive distribution grid will do the most to broaden the opportunities for development of an innovative, dynamic, consumer-focused electric power industry. Supporters of economic freedom should engage this reform effort.

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## The INDEPENDENT REVIEW

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February 12, 2021

#### By Electronic Mail

The Hon. Michael Vose, Chair Science, Technology and Energy Committee N.H. House of Representatives Concord, NH 03301

Re: HB 315, relative to the aggregation of electric customers.

Dear Chairman Vose and Honorable Committee Members.

Conservation Law Foundation (CLF) appreciates the opportunity to comment on HB 315, which would severely weaken New Hampshire's community power aggregation law. CLF is a non-profit environmental advocacy organization working in New Hampshire and across the region for healthy communities and a healthy environment, including advancing sound clean energy policies that reduce pollution and strengthen the state's and the region's economic vitality.

Less than two years ago, Governor Sununu signed into law SB 286, greatly strengthening the effectiveness of community aggregation—a powerful, local tool that municipalities can implement to reduce the costs of electricity. The community aggregation law gives municipalities the authority to provide electricity and other electric services to aggregated electric customers who consent to participating in an aggregation program. Several municipalities in New Hampshire have proceeded with efforts to provide community power aggregation and take local control of their energy future, saving money for their residents. However, just as the current law has started to produce its intended effects and allow municipalities to assume local control over their power, HB 315 would undo the innovative aims of community power aggregation.

Under the current community power aggregation law, municipalities that become community power aggregators (CPAs) may secure their own electricity generation sources and provide demand management, conservation, energy efficiency, meter reading, and other services. The law also allows CPAs to offer consolidated billing services, serve as ISO-NE load serving entities, and access customer data, which is critical for functioning as a CPA. However, HB 315 would eliminate or severely hinder CPAs' ability to offer and conduct these services and actions and would subject CPAs to NH PUC approval, which would impose unnecessary costs and delay on municipalities attempting to provide community power aggregation.



HB 315 is anti-competitive and significantly limits community choice and local control of energy resources and services. Moreover, it reestablishes utilities' monopoly control over municipal energy markets; prevents municipalities from prioritizing clean, renewable energy and promoting net metering; and imposes unreasonable burdens on the ability of municipalities to form community power aggregators.

In sum, because HB 315 is essentially a solution in search of a problem that would only benefit New Hampshire's utilities at significant cost to New Hampshire's municipalities and ratepayers, the Committee should reject this bill and vote "inexpedient to legislate."

Sincerely,

/s/ Nick Krakoff
Nick Krakoff
Staff Attorney
Conservation Law Foundation
27 North Main Street
Concord, NH 03301





February 18, 2021

Chairman Michael Vose Vice Chairman Douglas Thomas Science, Technology and Energy Committee Room 304, Legislative Office Building 107 North Main Street Concord, NH 03301

**VIA E-MAIL** 

Re: HB 315, Relative to the Aggregation of Electric Customers

Dear Chairman Vose and Vice Chairman Thomas,

The Edison Electric Institute (EEI) respectfully submits these comments to the New Hampshire House Science, Technology and Energy Committee (Committee) in consideration of the above-referenced legislation, HB 315. EEI appreciates the opportunity to comment on this piece of legislation that is designed to enhance electric aggregation and, through this process, consider other suggestions to strengthen the bill, which would open the state's retail market while providing more options and functionality for customers.

EEI is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for more than 220 million Americans and operate in all 50 states as well as the District of Columbia. EEI's members include all investor-owned electric companies that serve customers in New Hampshire. Collectively, the electric power industry supports more than 7 million jobs in communities across the United States. Our members in all parts of the country provide Americans with reliable, affordable, and sustainable electricity, and are committed to giving all customers the electricity services they desire at rates that are reasonable and equitable.

Retail electric choice and the ability for customers to actively choose from whom they want to receive electric generation is nothing new for the state of New Hampshire. In fact, the ability for customers to make an affirmative choice has been in effect for over two decades. As with other restructured electric states, New Hampshire, both through legislative and regulatory proposals, periodically considers refinements designed to enhance the retail electric market, such as HB 315. It is with this desire for New Hampshire's customers to have more options and greater functionality that EEI submits comments regarding this bill.

Community Aggregation, which is available in a handful of states including New Hampshire, is a program that allows localities and municipalities to procure power from alternative suppliers while still retaining their local energy company for distribution, transmission, and other associated regulated functions including billing, electric assistance, and net metering. HB 315 is an important piece of legislation, because it ensures these customer protections remain intact.

The first is more guidance around the procurement timeline and the amount of load associated with aggregations to better coordinate and avoid stranded costs for default service. While the Aggregation program as contemplated must have Commission review, HB 315 is silent as to its interplay with or overlap of default service procurements. In order to resolve this absence and to better protect customers and energy companies from procuring power that they may not ultimately needed, the Commission should be given authority to determine whether aggregation enrollment should conform to default service schedules.

The second is the creation of a purchase of receivables (POR) program. Under this construct, the local electric company would purchase the receivables of suppliers, minus a discount rate that is approved by the Commission. These programs are common and longstanding in other restructured states, such as Connecticut, Maryland, Massachusetts, Pennsylvania, and New York.

Thank you for the opportunity to provide public comment on these issues. EEI is available going forward to work with the House Science, Technology and Energy Committee as it builds on its experience and refines its retail electric market programs and policy for the state. We look forward to working with the Committee and other interested stakeholders as you set a pathway for access to the retail electric market that benefits all of New Hampshire's citizens.

Respectfully submitted,

Adam L. Benshoff

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February 12, 2021

The Honorable Michael Vose, Chair Housing Science, Technology and Energy Committee NH House of Representatives

**RE: GMC Support for HB315** 

Dear Chairman Vose,

On behalf of the Greater Manchester Chamber (GMC), I write today in support of HB315, an act relative to aggregation of electric customers. The GMC serves more than 800 businesses from across Southern New Hampshire. Energy costs are key policy issue of interest to our members and the business community. Rising or unstable energy costs has a direct impact on our state's business climate and ability to attract and retain jobs and economic development.

Community aggregation provides communities the opportunity to pool resident's electric usage and potentially reduce energy costs by securing favorable pricing through purchasing in bulk. The GMC believes this is a good option that should be available for interested communities in New Hampshire.

While previous legislation attempted to clear the way for community aggregation to move forward, the issue remains mired in rulemaking due to a lack of clarity in the existing policy. HB315 addresses this issue by clarifying and streamlining the statute dealing with community aggregation. HB315 also separates out issues unrelated to community aggregation that should be addressed through the Public Utilities Commission. The GMC is also concerned these policy issues unrelated to community aggregation may have unintended consequences that result in higher energy costs for ratepayers.

In sum, the GMC believes passage of HB315 will allow New Hampshire to move forward more quickly and efficiently in offering community aggregation as an option to interested communities. We urge you and members of the committee to support this legislation.

Michael Skelton
President & CEO

Greater Manchester Chamber



#### STATE OF NEW HAMPSHIRE OFFICE OF THE GOVERNOR

February 12, 2021

Dear Chairman Vose and members of the Science, Technology and Energy Committee,

Community aggregation provides a unique opportunity for municipalities to lower energy costs and provide options for their citizens. In 2019, I signed Senate Bill 286 into law with the hope that enhancing community aggregation would lead to increased local control and lower electric bills for ratepayers, especially for seniors and those of lower income.

Unfortunately, unanticipated complications and technical uncertainties have kept this policy change from moving forward as quickly as it should. These difficulties threaten to bog down the implementation of policy changes to community aggregation for a long time to come. I urge you to use House Bill 315 as amended to clarify uncertainties, remove barriers to compromise, and bring to our communities swift access to these policy changes.

The key for the long-term success of community aggregation will be stakeholders engaging in constructive dialogue to reach achievable policy goals. The worst result would be to never advance community aggregation because of technical disputes and overreach. Together, we can ensure state energy policy that is sustainable, responsible, and accountable to our ratepayers.

Sincerely,

Christopher T. Sununu

Governor

#### February 18, 2021

The Honorable Michael Vose, Chair House Science, Technology, and Energy Committee NH House of Representatives

Re: GNCC Support for HB315

Dear Chairman Vose,

On behalf of the Greater Nashua Area Chamber of Commerce, I write to express our support of HB 315 as amended. As you are aware, the high costs of energy in our region is a great concern to our members and often inhibits their ability to grow their businesses. The Chamber has always advocated for policies that will help reduce the cost of energy for our members.

We believe one way to help lower regional energy costs is to allow community aggregation to finally get off the ground. Various legislative solutions have been proposed to do so, but, unfortunately, the issue has been tied up in regulatory gridlock for well over a year. HB 315 would solve these problems and let communities begin aggregating thereby reducing energy costs. We urge this committee to ensure the version represents a compromise by the stakeholders. We believe some issues raised concerning the bill as introduced are legitimate, and we further understand the utilities are open to a compromise.

This is a complex, but important issue. We believe the Public Utilities Commission should continue to work on the most complex areas of this law. In the meantime, we believe allowing municipalities to participate in community aggregation to reduce energy costs for their businesses and residents is critical. We support HB 315 as amended because this is exactly what this bill does.

We urge members of the committee to allow community aggregation to move forward by supporting HB 315 as amended.

Kate Luczko

President & CEO

Kate Light

Greater Nashua Chamber of Commerce



60 Main Street, Suite 200 Nashua, NH 03060

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## AGGREGATION OF ELECTRIC CUSTOMERS BY MUNICIPALITIES AND COUNTIES

**53-E:1 Statement of Purpose.** – The general court finds it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services. The general court finds that aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies. The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.

11 **Source.** 1996, 192:2, eff. Aug. 2, 1996.

#### 53-E:2 Definitions. –

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- I. "Aggregation" means the grouping of retail electric customers to provide, broker, or contract
- 15 for electric power supply and energy services for such customers.
- 16 II. "Aggregator" means, unless the context indicates otherwise, a municipality or county that
- 17 engages in aggregation of electric customers within its boundaries.
- 18 III. "Commission" means the public utilities commission.
- 19 IV. "Committee" means the electric aggregation committee established under RSA 53-E:6.
- 20 V. "County" means any county within the state.
- 21 <u>V-a.</u> "Energy services" means the provision of electric power supply solely or in combination
- with any or all of the services specified in RSA 53-E:3.
- VI. "Municipality" means any city, town, unincorporated place, or village district within the
- 24 state.

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- 25 **Source.** 1996, 192:2, eff. Aug. 2, 1996. 2019, 316:1, eff. Oct. 1, 2019. [This applies to remaining
- sections unless otherwise noted. "2019, 316:1" refers to Chapter 316 NH Laws of 2019, SB 286]

#### 53-E:3 Municipal and County Authorities. –

- 28 Any municipality or county may:
  - I. Aggregate the retail electric customers within its boundaries who do not opt out of or who consent to being included in an aggregation program.
  - II. (a) Enter into agreements and provide for energy services, specifically:
    - (1) The supply of electric power and capacity.
    - (2) Demand side management through utility or regional system operator administered management programs.
      - (3) Conservation through utility or regional system operator administered conservation and efficiency program.
  - (4) Meter reading.
- 38 (5) Customer service
- (6) Other related services.

By Clifton Below, for City of Lebanon 1/24/2021

**Commented [A1]:** This deletion would require CPAs to contract out all services and preclude them from using their own generation sources, such as hydro owned by the City of Nashua, to supply their CPA, unless running it through a 3<sup>rd</sup> party contract, needlessly increasing costs.

**Commented [A2]:** This is to dramatically constrain what services CPAs can offer to the most basic of aggregation models, blocking the development of competition for a whole variety of services, even if provided by 3<sup>rd</sup> parties.

Commented [A3]: This is anti-market competition to an extreme. There is no good reason why demand side management (DSM), conservation, and energy efficiency services should be limited to utility monopolies and ISO-NE programs. Working with a broker, FEL, the City of Lebanon is saving tens of thousands of dollars by reducing the "capacity tag" and charges for our two largest loads, WTP and WWTP. This is not part of a utility or ISO-NE program. CPAs would be precluded from even contracting with a broker for such services, much less "providing" them.

Commented [A4]: Elimination of this 1996 language authorizing meter reading is designed to preclude CPAs from being able to access any customer meter data, regardless of who owns the meter or its purpose, even though 3<sup>rd</sup> parties routinely provide meter reading services now in a competitive market. A CPA wanting to provide independent monitoring services for renewable energy credit (REC) production could not do so, even by contract through 3<sup>rd</sup> parties, nor for customers participating in ISO-NE demand response programs that require metering beyond what the utilities offer, as competitive suppliers can and do now provide. This shuts down valuable customer choice options.

In proposed CPA rules regarding meters owned or used by the electric distribution utility this would only be realized by mutual agreement with the utility or by order of the Commission based on a finding that it is for the public good.

Commented [A5]: This deletion would preclude a CPA from even contracting for any customer service from their broker or supplier, much less provide any themselves. Apparently Eversource believes they should have a monopoly on all customer service, even related to electricity supply, which customer service they would charge CPAs for at monopoly rates. The electric distribution utility function is supposed to be limited to distribution functions, not generation supply, except as a provider of last resort (their default service).

Commented [A6]: This wipes out the possibly of doing a whole bunch of innovations and value added services, such as improving customer power factors to reduce costs and improve power quality, assisting customers with battery storage solutions or access to community solar, etc. etc.

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HB 315 might as well repeal the entire RSA 53-E chapter enabling community power aggregation as its details appear to be designed to make it impossible for any municipality or county to meet the new requirements of the law and ever achieve a successful start-up. Even if these poison pill problems were fixed HB 315 would drastically curtail municipal and county authority to help animate a retail market to offer customers more choices and innovative new services to save them money and help their communities accelerate the cost-effective integration of clean distributed energy resources by harnessing the power of competitive markets to benefit residential and commercial customers.

(7) The operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality's governing body.

(b) Such agreements may be entered into and such services may be provided by a single municipality or county, or by a group of such entities operating jointly pursuant to RSA 53-A.

53-E:3-a Municipal Aggregators Authorized. – Municipal aggregators of electricity load under this chapter, and municipalities operating municipal electric utilities under RSA 38, are expressly authorized to aggregate otherenergy services as described in RSA 53-E:3-commonly and regularly billed to customers. 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. Any such loans from other municipal enterprise funds shall be used for purposes that have a clear nexus to the primary purposes of such other funds, such as generation, storage, or sale of power generated from sites, facilities, or resources that might otherwise be operated or produced by the other enterprise fund. Nothing in this chapter shall be deemed to limit the capacity of customers to select any service or combination of services offered by such municipal aggregators or to limit the municipality from combining billing for any or all utility energy services with other municipal services.

**53-E:3-b Use of "Community Power" as a Name Reserved.** – The use of the term "Community Power" following the name of a municipality or county shall be reserved for the exclusive use by such entity as a name for proposed or approved municipal or county aggregations. Aggregations operated jointly by a group of such entities pursuant to RSA 53-A may adopt an appropriate identifying name in conjunction with the term "Community Power" as a name.

Source. 2019, 316:3, eff. Oct. 1, 2019.

#### 53-E:4 Regulation. –

I. An aggregator operating under this chapter shall not be considered a utility engaging in the wholesale purchase and resale of electric power and shall not be considered a municipal utility under RSA 38. Providing electric power or energy services to aggregated customers within a municipality or county shall not be considered a wholesale utility transaction. However, a municipal or county aggregation 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, including itself.

II. The provision of aggregated electric power and energy services under this chapter shall be regulated by this chapter and any other applicable laws governing aggregated electric power and energy services in competitive electric markets.

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

An aggregator shall not be required to own any utility property or equipment to provide electric

power and energy services to its customers.
 IV. For the purpose of obtaining interval me

IV. For the purpose of obtaining interval meter data for load settlement, the provision of energy services, and near real-time customer access to such data, a municipal and county aggregator

Commented [A7]: This language and the language at the end of this paragraph has been in statute since 1996. This change is designed to block CPAs from even proposing to provide consolidated billing services as an alternative to the investor-owned utility monopoly. Texas, for example, opened consolidated billing to competition. Current language and CPA proposed rules only leaves the door open for CPAs to someday propose to do such in a litigated case at the PUC where the CPA would need to prove that it is for the public good (beneficial) to do so and it is fair to utility shareholders or other ratepayers.

Commented [A8]: See above.

**Commented [A9]:** This probably doesn't matter as other provisions in law and with ISO-NE cover this issue now. This language dates back to 1996 before other PUC & FERC rulings and other statutes addressed this.

Commented [A10]: This change, however, is very unreasonable. It precludes CPAs from being "load serving entities" (LSEs) and having a voice at the regional level. The Town of Hanover is already an LSE for its own accounts and is saving big \$\$ by doing so. Scores of municipal electric departments in New England are LSEs for supplying energy, much like CPAs should be able to do. They are quite successful at it and usually have lower and more stable rates that IOUs. There is no good reason CPAs should not also have this option, even if most choose to work with a broker and 3rd party supplier that is serves as their LSE.

Commented [A11]: Eversource has resisting providing customers with access to interval metering for two decades, even though many value-added (cost-saving) rates could be provided with such, such as time-varying rates, or the ability to reduce costly "capacity tags." Current language only makes this a possibility by mutual agreement with the utility or by proving to the PUC that it is for the public good in a litigated case. Metering in not a natural monopoly as shown by Texas and even in NH where customers can provide their own meters, including interval meters, for Renewable Energy Credit production (RECs) that the utilities purchase.

may contribute to the cost of electric utility provided meter upgrades, jointly own revenue grade meters with an electric utility, or provide its own revenue grade electric meter, which would be in addition to a utility provided meter, subject to the commission finding in the public good and approval of the terms and conditions for such arrangements, including sharing or transfer of meter data from and to the electric distribution utility.

V. Municipal or county aggregations that supply power shall be treated as competitive electricity suppliers for the purpose of access to the electric distribution utility's electronic data interface and for ceasing operations.

VI. Municipal or county aggregations Aggregators 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.

**53-E:5 Financial Responsibility.** – Retail electric customers who choose not to participate in an aggregation program adopted under RSA 53-E:7 shall not be responsible for, and no entity shall require them to pay, any costs associated with such program, through taxes or otherwise except for electric power supply or energy services consumed directly by the municipality or county, or incidental costs, which may include costs necessary to comply with the provisions of this chapter up to the time that the aggregation starts to produce revenue from participating customers.

#### 53-E:6 Electric Aggregation Plan. –

- I. The governing body of a municipality or county may form an electric aggregation committee to develop a plan for an aggregation program for its citizens. A municipality or county may join other municipalities or counties in developing such plans.
- II. The plan shall provide 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 shall meet, at a minimum, the basic environmental and service standards established by the commission and other applicable agencies and laws concerning aggregated service.

#### III. The plan shall detail:

- (a) The organizational structure of the program.
- (b) Operation and funding.
- (c) 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.
  - (d) The methods for entering and terminating agreements with other entities.
  - (e) The rights and responsibilities of program participants.
- (f) How net metered electricity exported to the distribution grid by program participants, including for group net metering, will be compensated and accounted for.
- (g) How the program will ensure participants who are enrolled in the Electric Assistance Program administered by the commission will receive their discount.
  - (h) Termination of the program.

Commented [A12]: This is to ensure utility monopoly on customer meter data and force CPAs to do everything through brokers and competitive electricity suppliers. However, brokers usually do not even have access to this data, so CPAs would be precluded from getting needed data for load forecasting to put their load out to bid and get the most competitive rates. Instead they may have to lock in with a single competitive supplier before they know what they are getting into.

Commented [A13]: This not only denies the possibility of innovation in providing customers with valuable new services and options but seems designed to make it impossible for CPAs to comply with the law, in effect repealing the whole chapter (RSA 53-E) as will be explained below. Customer names and addresses are required to do the required mailing to all customers. Customer account numbers are required to enroll customers. CPAs could be denied access to all those with this change in the law.

Commented [A14]: This would require communities to contract out ALL services and costs incurred before start-up. A town could not even print paper copies of a proposed aggregation plan to provide to voters who are considering whether to approve it, much less pay for a legal review of any proposed contracts to provide such services. It even raises a question as to whether any paid staff time could even be involved in considering whether to even work on developing an aggregation plan, much less have any legal review of proposed contracts with a broker or supplier before the program starts. So much for local control.

Commented [A15]: This is something proposed CPAs have to plan for and take in to account. Apparently Eversource now wants a monopoly on providing net metering, even though RSA 362-A:9, II regarding net metering provides that: "municipal or county aggregators under RSA 53-E may 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." But apparently Eversource doesn't think aggregation plans should have to plan for this.

Commented [A16]: This is a low-income consumer protection provision specifically requested by the PUC in 2019. Currently the EAP discount would only be available if the are billed for their CPA charges through electric utility, so an EAP should consider that. Someday it may be possible to provide this discount with separate billing, but that is not the case today. Why Eversource wants this repealed is a complete mystery. Maybe they want a CPA to launch with separate billing and piss off low-income customers that lose their discount to discredit CPAs and reinforce their monopoly.

- IV. The committee shall approve a final plan which the committee determines is in the best, long-term interest of the municipality or county and the ratepayers.
- V. The committee shall solicit public input in the planning process and shall hold public hearings.

#### 53-E:7 Aggregation Program. –

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- I. The governing body of a municipality or county may submit to its legislative body for adoption a final plan for an aggregation program or any revision to include an opt-out default service program, to be approved by a majority of those present and voting.
- II. Once adopted, or upon revision following adoption, the plan shall be submitted to the commission for review and the commission shall determine whether the plan conforms to the requirements of this chapter and whether the plan imposes undue risk on non-participants.
- III. If the plan is adopted or once adopted is revised to include an opt-out-alternative default service, the municipality or county shall mail written notification to each retail electric customer within the municipality or county based upon the addresses in public records of the municipality or county for such customers. To enable such mailed notification and notwithstanding RSA 363:38, after an aggregation plan is duly approved the electric distribution utility or utilities serving an adopting municipality or county shall provide to such municipality or county a current list of the names and mailing addresses of all their electric customers taking distribution service within the municipality or county. Notification shall include a description of the aggregation program, the implications to the municipality or county, and the rights and responsibilities that the participants will have under the program, and if provided on an opt-out basis, the fixed rate or charges that will apply. No retail electric customer shall be included in a program in which the customer does not know all of the rates or charges the customer may be subject to at least 30 days in advance of the customer's application and has the option, for a period of not less than 30 days from the date of the mailing, to opt out of being enrolled in such program, unless the customer affirmatively responds to the notification or requests in writing to be included in the program.
- IVH. Within 15 days after notification of the plan has been sent to retail electric customers in the service area, a public information meeting to answer questions on the program shall be held.
- IV. Services proposed to be offered by or through the aggregation shall be on an opt-in basis unless the approved aggregation plan explicitly creates an opt-out alternative default energy service program where the rate or price is known at least 30 days in advance of its application and, for a period of not less than 30 days from the date notification is mailed, the customer has the opportunity to opt out of being enrolled in such program, by return postcard, website, or such additional means as may be provided. Customers who are on default service provided by an electric distribution utility shall be automatically enrolled in an aggregation provided alternative default service if they do not elect to opt out. Customers opting out will instead remain on default service. Customers taking energy service from a competitive electricity supplier shall not be automatically enrolled in any aggregation program, but may voluntarily opt in. A Nnew customers to the electric distribution utility after the notification mailing required by paragraph III shall initially be enrolled in utility provided default service unless the customer has relocated

Commented [A17]: This would be a new requirement for the PUC to review and approve electric aggregation plans adding to the PUC's already heavy workload. The phrase "whether the plan imposes undue risk on non-participants" would almost certainly trigger an adjudicated proceeding in which the electric utilities could intervene and oppose the plan, at ratepayer expense, while towns could not spend any taxpayer dollars to support their case, not even to print the document for filing, much less pay for a lawyer or staff, or even the travel expense of a volunteer to represent them before the PUC. Written testimony might be required, and the utility could serve time consuming discovery on the community. This PUC case could drag out for a year or more.

Any tweak in the plan required by the PUC would require the plan to return to the legislative body for approval, which for town meetings could delay final approval up to 2 years. In the informal rule development process Eversource argued that CPAs should only launch on the utility's default procurement timetable (during only August or February) and they would have to lock into the rate they would offer at launch before they even knew the new utility default service rate they would be competing with. This is set up for failure and backlash if rates are increased in an opt-out program. Proposed CPA rules would provide plenty of notice and milestones so the utility and default service bidders could take in account the "risk" of departing CPA load and adjust accordingly in a very liquid market.

This is contrary to the purpose statement of the chapter to enable CPAs to provide "small customers with similar opportunities to those available to larger customers in obtaining lower electric costs". Large customers are free to switch between competitive supply and default service at any time. They do so to take advantage of market opportunities. No other state has restrictions like those Eversource argued for in the informal rules discussion at the PUC.

This provision is also contrary to the Restructuring Policy Principle at RSA 374-F:3, X, calling for the PUC to "make regulation more efficient and to enable competitors to adapt to changes in the market in a timely manner. The market framework for competitive electric service should,move deliberately to replace traditional planning mechanisms with market driven choice as the means of supplying resource needs."

Commented [A18]: This is really over the top – a very potent and fatal poison pill that would make it impossible for any CPA to launch, and unlike any limitation in any other state. The CPA is required to mail each retail electric customer within their community notice before launching but can only do so with addresses within their own database. Municipalities and counties do not know the names of all the utility's customers, much less their mailing addresses (think residential and commercial tenants with their own accounts). Even the addresses for property tax bills (that counties don't have) would be inadequate because the person or entity on the electric account may be different from that on tax bills.

**Commented [A19]:** Again, Eversource wants to claim a monopoly on the provision of default energy service.

within a single utility's service area and is continuing service with a competitive electricity supplier, given a choice of enrolling in utility provided default service or aggregation provided default service, where such exists. New customers shall be informed of pricing for each when they apply for service. Such new customers may also enroll with a competitive electricity supplier. On a recurring basis, but not more frequently than monthly, an aggregation may request, and the utility will provide, a list of customers within the aggregation's territory who are not enrolled with a competitive electricity supplier for the aggregation to use in identifying any new customers. New customers identified from such list who do not make such a choice shall be enrolled in the aggregation in the aggregation program, unless the customer opts-out of the aggregation default service of any geographically appropriate approved aggregation, or, if none exists, the utility provided default service. Municipal aggregations shall take priority or precedence over any county aggregations and each such aggregation shall be responsible for assuring that customers are enrolled with the correct aggregation. Customers automatically enrolled in a municipal or county provided defaultenergy services shall be free to elect to return to utility provided default service or to transfer to a competitive electricity supplier with adequate notice in advance of the next regular meter reading by the distribution utility, in the same manner as if they were on utility provided default service or as approved by the commission.

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VI. Once adopted, an aggregation plan and program may be amended and modified from time to time as provided by the governing body of the municipality or county and approved by the commission. In all cases the establishment of an opt-out default service program shall be approved as provided in paragraph I.

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VII. The commission may shall adopt rules, under RSA 541-A, to implement this chapter, including but not limited to rules governing the relationship between municipal or county aggregators and distribution utilities, metering, notice of the commencement or termination of aggregation services and products, and the reestablishment of a municipal or county aggregation that has substantially ceased to provide services. Where the commission has adopted rules in conformity with this chapter, complaints to and proceedings before the commission shall not be subject to RSA 541-A:29 or RSA 541-A:29-a.

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**53-E:8 Other Aggregators.** – Nothing in this chapter shall preclude private aggregators from operating in service areas served by municipal or county aggregators.

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Source. 1996, 192:2, eff. Aug. 2, 1996.

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38 39 53-E:9 Billing Arrangements. — Each electric distribution utility shall offer to bill customers on behalf of competitive electric power suppliers and to pay such suppliers in a timely manner the amounts due such suppliers from customers for generation services, less a percentage of such amounts that reflects uncollectible bills and overdue payments, as approved by the commission.

Commented [A20]: This part is generally okay, though it is only needed because the utilities don't want to change their systems to make new customer enrollment in an optout CPA automatic. They want to continue to enroll new customers in utility provided default service until the CPA initiates an opt-out transfer. Not ideal, but we can live with that to help utilities avoid the cost of changing their software.

Commented [A21]: This is okav.

Commented [A22]: This would require any amendment to an electric aggregation program to be approved by the Public Utilities Commission, unnecessarily adding to their work load, likely resulting in the opening of an adjudicated case that the utility can intervene in and drag out for many months, even for years, especially since any tweak required by the PUC would necessitate taking the plan back to the legislative body – the next town meeting for towns with such.

Commented [A23]: Generally something like this could actually be helpful as some provision along these lines is needed, usually known as a Purchase of Receivables (POR) program, but there is no requirement that CPAs be treated comparably to utility provided default service, so some work is needed on this language.

#### **CLIFTON C. BELOW**

1 Court Street, Suite 300 & Lebanon, NH 03766

(603) 448-5899 (o) ❖ clifton.below@gmail.com ❖ www.linkedin.com/in/clifton-below

#### **BACKGROUND & EXPERIENCE with Focus on Energy**

- Managing General Partner of One Court Street Associates, 1985-present, responsible as a sweat equity partner for the development and ongoing management of One Court Street, a commercial building in downtown Lebanon, home of Three Tomatoes and various offices.
- Vice President, Ardent Realty Services, Ltd, 1992-present (with greatly reduced direct activity 2006-2/2012 while a PUC Commissioner), provides ongoing property management services to One Court Street Associates including leasing, property maintenance and financial management.
- Lebanon City Councilor, March 2015-present, Assistant Mayor since March 2019, and Chair, Lebanon Energy Advisory Committee (LEAC) which is also Lebanon's Electric Aggregation Committee pursuant to RSA 53-C. In additional to usual Councilor duties, authorized to represent the City as advocate and expert witness in a several PUC proceedings, including Grid Modernization Investigation, development of new Net Metering tariffs, and Liberty's proposed residential battery and time-of-use rate pilot.
- New Hampshire Public Utilities Commission, Commissioner, 12/27/2005 2/6/2012: Participated in approximately 360 adjudicatory and rulemaking proceedings with public hearings and over 1,000 published adjudicatory orders and decisions. Often served as agency point person in legislative hearings and proposed administrative rules, as well as representing and advocating for New Hampshire in various regional and national forums.
  - National Association of Regulatory Utility Commissioners (NARUC) Energy Resources & Environment Committee; 2006-2011; Co-Vice-Chair, 2009-2011.
  - FERC-NARUC Smart Grid/Demand Response Collaborative, 2008-2011.
  - New England Conference of Public Utility Commissioners (NECPUC), Vice President, 9/09-9/10; President, 9/10-9/11.
  - **Electric Power Research Institute (EPRI)**, Advisory Council to the Board of Directors, 2009-2011; Energy Efficiency/Smart Grid Public Advisory Group, 2008-2010.
  - Regional Evaluation, Measurement & Verification (EM&V) Forum, Steering Committee, Northeast Energy Efficiency Partnership, 2007-2011; Co-Chair, 2011.
  - RGGI (Regional Greenhouse Gas Initiative) one of two NH agency head representatives and RGGI, Inc.; Secretary (2007-2009); Vice-Chair (2009-2011).
  - NH Energy & Climate Collaborative, 2009-2011.
  - Governor's Climate Change Policy Task Force, NH's Climate Action Plan, 2008.
  - Northeast International Committee on Energy (NICE) and Climate Change Steering Committee of the Conference of New England Governors and Eastern Canadian Premiers, 2007-2008.
  - NH Site Evaluation Committee, 2006-2011 and Energy Planning Advisory Board, 2006.
  - ISO-New England Scenario Analysis Steering Committee Co-Chair (for NECPUC, 2007).
  - Speaker and panel moderator at various meetings or conferences of NECPUC, NARUC, ISO-NE, NEEP, ACEEE, NEPPA, NECA, NESEA Building Energy, ACI New England, Restructuring Roundtable, and other forums.
- NH State Senator, District 5, 1998-2004:
  - Senate Finance Committee, 1998-2004, over the course of 3 state budget cycles worked on detailed review and recommendations for each of the 3 divisions of the state's approximately \$4 billion annual budget.
  - Senate Energy & Economic Development Committee, 1998-'04; Chair.'00-'02; VC '02-'04.

#### ATTACHMENT B (City of Lebanon Testimony on HB 315)

Clifton Below, Background & Experience, 11/19, page 2 of 2.

- Senate Environment Committee, 1998-2004, Transportation Committee, 1998-2000, 2003-'04.
- Joint Legislative Committee on Administrative Rules, 2001-2004; Chair, 2001-2002.
- Electric Utility Restructuring Oversight Committee, 1998-2004; Co-Chair, 1998-2000.
- Telecommunications Planning and Development Advisory Committee, 2001-2004.
- Nuclear Decommissioning Finance Committee, 2003-2004.
- State Wireless Communications Policy Study Committee, 2000, Chair.
- NH State Representative, 1992-1998:
  - Science, Technology & Energy Committee, 1992-1998; dealt with utility, energy, telecommunications, and air quality policy; Chair of Electric Utilities Subcommittee.
  - Small Power Producers and PSNH Renegotiations Legislative Oversight Committee, 1994.
  - Retail Wheeling and Restructuring Study Committee, 1995, Chair of Policy Principles, Social and Environmental Issues Subcommittee whose report became the foundation for NH's Electric Utility Restructuring statute, RSA 374-F.
  - Electric Utility Restructuring Oversight Committee, 1996-1998.
  - Member of state's negotiating team with Public Service Company of NH and prime sponsor of securitization (debt refinancing) legislation that ended litigation resulting in a reduction of average NH electric rates from the highest in the nation to the regional average. Sponsor of over a dozen bills dealing with energy policy and electric utilities, most of which became law, including prime sponsorship of NH's first solar/renewable net energy metering law and an update of the energy facility siting statute.
  - Testified on State-Federal issues related to electric utility restructuring before the Energy & Power Subcommittee of the U.S. House Committee on Commerce, February, 1996.
- Legislative Regional and National Policy Work:
  - Council of State Governments, Eastern Regional Council (CSG/ERC):
    - o Energy and Environment Committee, member, 1997-2004; Vice-Chair, 2001-2003.
  - National Conference of State Legislatures (NCSL):
    - o Advisory Council on Energy, 1997-2004; Chair, 2001-2004.
    - o Energy and Transportation Committee, Assembly on Federal Issues, (and successor Energy & Electric Utilities Committee), 1998-2004; Chair, 2000-2001. As Chair facilitated a consensus based comprehensive update of NCSL's National Energy Policy (and other policies) used for lobbying the federal government on behalf of all state legislatures.
    - Testified before the United States Senate Committee on Energy and Natural Resources on "Electric Industry Restructuring," with a particular focus on transmission issues, on behalf of NCSL, April 2000.
  - National Council on Electricity Policy, Steering Committee, member, 2001-2004.

#### **EDUCATION:**

- Dartmouth College, class of 1978, B.A. with Distinction in major of Geography and Environmental Studies, 1980.
- M.S. in Community Economic Development, Southern NH University, 1985, with course
  work in such areas as accounting, financial and organizational management, financing, and
  housing and business development.

#### **COMMUNITY SERVICE:**

- City of Lebanon: served on a dozen boards and committees since 1980.
- Sustainable Energy Resource Group, Board of Directors, 2013 2015 (merged into Vital Comm.).
- Vital Communities, Board of Directors, May 2012 June 2018; Advisory Council, 2002-2012.
   Bates Page 7



#### CITY OF LEBANON

51 North Park Street Lebanon, NH 03766 (603) 448-4220

April 23, 2019

Hon. Clyde Carson Chair, Municipal & County Government Committee New Hampshire House 107 North Main St. Concord, NH 03301

RE: SB 286-FN-Local Relative to Aggregation of Electric Customers by Municipalities and Counties

Dear Rep. Carson and Members of the House Municipal & County Government Committee,

The City of Lebanon supports the passage of SB 286 that updates NH's existing RSA Chapter 53-E that enables municipal and county aggregations of electricity customers. SB 286 is about empowering communities to act to advance their local energy and economic development goals. It gives NH towns and cities a powerful tool for voluntary energy and climate action through customer choice and aggregated demand. It gives municipal aggregation a handy moniker as "Community Power" and can be referred to as Community Power Aggregation (or "CPA").

Over two years ago the Lebanon City Council voted unanimously to create a Lebanon Electric Aggregation Committee, which I've chaired, to develop and propose a municipal aggregation plan to support the energy goals in our Master Plan. This bill reflects the changes we have identified that we think are needed to make municipal aggregation an effective and practical option in NH. The purpose of this bill is to make it possible to realize the original purposes of RSA 53-E (with emphasis added):

**53-E:1 Statement of Purpose.** – The general court finds it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services. The general court finds that <u>aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies. <u>The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions</u> to local needs with careful consideration of local conditions and opportunities.</u>

In the spring of 1996 NH was the first state in the nation to pass comprehensive electric utility restructuring legislation (creating RSA 374-F) that sought to functionally separate distribution, transmission, and generation services and subject the later to competition and customer choice. That same session the Senate passed to the House a bill to enable municipal and county aggregation of electric customers to arrange for electricity generation supply and other services – not as a replacement for competitive choice but as a complement thereto. While NH's law enabling municipal aggregation was also the first of its kind in the nation, it has yet to used and NH is not even recognized as a state that

enables such. Massachusetts and Ohio followed not long after, and today municipal aggregation, more commonly known as Community Choice Aggregation ("CCA") is enabled in about 7 states and there are over 1,300 villages, towns, cities and counties across the nation that offer electric aggregation programs, but not any in New Hampshire.

What's the difference? All the other states where it is being used have enabled CCA on an opt-out basis, rather than just on an opt-in basis, as NH law requires. The original NH bill was ambiguous on this point when it passed the Senate. In the House, when Sen. Bradley, a sponsor of today's bill and I were serving on Science, Technology & Energy (he as Chair, me as the ranking Democrat) in 1996, we voted unanimously to change the bill to require explicit "opt-in." We were being cautious as the whole idea of customer choice in generation supply was an entirely new paradigm and there was no experience to inform our decisions. Today we see things differently.

The central point of this bill is to enable communities to offer an opt-out choice, in addition to opt-in choices. Ohio also allows communities to chose opt-in or opt-out. Why enable opt-out?

- NH's constitution (Part II, Article 83) calls for the legislature to protect "free and fair competition" from "all monopolies" and empowers the legislature to "regulate and control the acts" of monopolies.
- Default energy service procured by the electric distribution utilities is provided on an opt-out basis, but there is no compelling reason for them monopolize such an approach. SB 286 empowers local communities, through majority consent, to offer an alternative default energy service, with advance notice of price and a reasonable time period to opt-out and stay on or later return to utility provided default energy as they so choose.
- RSA 53-E requires a good amount of work to develop and launch an aggregation plan, which
  under current law has to then be marketed on an opt-in basis with an unpredictable, but likely
  rather low participation rate. An opt-out option can yield a critical mass or rate of participation
  for successful launches that create value for customers.
- The relative predictability of opt-out participation rates (85% to 95%) yields enough aggregation power to attract competitive suppliers and vendors to make a successful launch that can retain most customers.
- The bill provides good consumer protection by requiring advance notice of the energy service rate to be offered and adequate time to opt-out.
- Because a launch of an opt-out program requires majority approval of the local governing body <u>and</u> legislative body, there is built-in accountability and presumptive fairness to the action. It seems unlikely that local elected officials will launch a CPA that is likely to upset voters, such as by moving them to a higher cost rate or providing inadequate notice or explanation.
- It will increase meaningful customer choice by providing new options for residential and small business customers with their local government looking out for their interests in vetting service providers and terms and conditions for any new services.
- Customers that are already exercising choice and are served by a competitive electricity supplier will not need to opt-out of any CPAs but may opt-in.

In New York this question was left for their Public Service Commission to decide. I've attached some excerpts from that decision 3 years ago that explains why they concluded that an opt-out option was essential for a successful community choice aggregation program.

Concerns were raised in the Senate that if communities launch CPAs the smaller numbers remaining on utility provided default service may face higher rates. However, such concerns are like saying competition and customer choice increases costs compared with one size fits all. Relatively small

distribution utilities like Liberty and the NH Electric Coop have attracted competitive default service bids even though they are a fraction of the size of most other utilities procuring default energy service in New England. If CPAs that will individually constitute small portions of the total utility default service load can offer better rates or services and retain customers as an alternative to utility provided default energy service, then what's the problem? Both Eversource and Unitil successfully accommodate opt-out municipal aggregation in Massachusetts. All that being said, rulemaking authority for the PUC was added to the bill in the Senate so they can address such concerns by minimizing any increased risk to default service providers.<sup>1</sup>

Another key issue in the bill is new proposed language at RSA 53-E:4, IV that enables CPAs to contribute to the cost of utility provided meter upgrades, to jointly own revenue grade meters with utilities, or provide their own secondary revenue grade meters for load settlement, subject to commission finding that such an action would be for the public good and according to terms and conditions as they approve. Meters used by Liberty and Eversource do not record interval data such as to enable time varying rates and this provision would open the door for potential new rate options if a CPA wanted to pay for advanced metering before the utility offers it.

The bill addresses other issues that I won't explain here. I've attached an annotated version of RSA 53-E showing how it would be changed by SB 286 and that provides an explanation for each of the proposed changes. For your convenient reference I've also attached some excerpts from RSA 374-F, NH's Electric Utility Restructuring Act from 1996 that provides some context and RSA 363:37-38 concerning Customer Privacy as that subdivision is referenced in the bill. You were previously emailed a packet of articles and resources on CCA, including a link to detailed report on CCA in Massachusetts from the UNH Sustainability Institute. I've brought along a few copies for those who would like a paper copy.

I'm happy to respond to any questions and work with the committee on any concerns you may have about the specific policies and language in this bill. Thank you for your attention to this matter.

Yours truly,

Clifton Below

Assistant Mayor, Lebanon City Council

Clifton.Below@LebanonNH.gov

Clifton Below

<sup>&</sup>lt;sup>1</sup> The PUC drafted proposed rulemaking language for this bill, but it arrived too late to be included in the Senate amendment, so generic language was used. The City supports amending the bill to replace the generic language at p. 5 lines 7-8 of the bill with the PUC's recommended specifically tailored rulemaking language:

The commission may enact rules, under RSA 541-A, to implement this chapter, including but not limited to rules governing the relationship between municipal or county aggregators and distribution utilities, metering, notice of the commencement or termination of aggregation services and products, and the reestablishment of a municipal or county aggregation that has substantially ceased to provide services. Where the commission has adopted rules in conformity with this chapter, complaints to and proceedings before the commission shall not be subject to RSA 541-A:29 or RSA 541-A:29-a.

#### CHAPTER 374-F ELECTRIC UTILITY RESTRUCTURING

#### **374-F:1 Purpose.** –

- I. The most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets. The overall public policy goal of restructuring is to develop a more efficient industry structure and regulatory framework that results in a more productive economy by reducing costs to consumers while maintaining safe and reliable electric service with minimum adverse impacts on the environment. Increased customer choice and the development of competitive markets for wholesale <u>and retail</u> electricity services are key elements in a restructured industry that will require unbundling of prices and services and at least functional separation of centralized generation services from transmission and distribution services.
- II. A transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire constitution which reads in part: "Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it." Competitive markets should provide electricity suppliers with incentives to operate efficiently and cleanly, open markets for new and improved technologies, provide electricity buyers and sellers with appropriate price signals, and improve public confidence in the electric utility industry.
- III. The following interdependent policy principles are intended to guide the New Hampshire public utilities commission in implementing a statewide electric utility industry restructuring plan, in establishing interim stranded cost recovery charges, in approving each utility's compliance filing, in streamlining administrative processes to make regulation more efficient, and in regulating a restructured electric utility industry. In addition, these interdependent principles are intended to guide the New Hampshire general court and the department of environmental services and other state agencies in promoting and regulating a restructured electric utility industry.

Source. 1996, 129:2, eff. May 21, 1996.

#### Section 374-F:2

#### **374-F:2 Definitions.** –

In this chapter:

- I. "Commission" means the public utilities commission.
- I-a. "**Default service**" means electricity supply that is available to retail customers who are otherwise without an electricity supplier and are ineligible for transition service.
- II. "**Electricity suppliers**" means suppliers of electricity generation services and includes actual electricity generators and brokers, aggregators, and pools that arrange for the supply of electricity generation to meet retail customer demand, which may be municipal or county entities.

. . .

V. "Transition service" means electricity supply that is available to existing retail customers prior to each customer's first choice of a competitive electricity supplier and to others, as deemed appropriate by the commission.

#### 374-F:3 Restructuring Policy Principles. –

- I. System Reliability. Reliable electricity service must be maintained while ensuring public health, safety, and quality of life.
- II. **Customer Choice.** Allowing customers to choose among electricity suppliers will help ensure fully competitive and innovative markets. Customers should be able to choose among options such as levels of service reliability, real time pricing, and generation sources, including interconnected self generation. Customers should expect to be responsible for the consequences of their choices. The commission should ensure that customer confusion will be minimized and customers will be well informed about changes resulting from restructuring and increased customer choice.
- III. **Regulation and Unbundling of Services and Rates.** When customer choice is introduced, services and rates should be unbundled to provide customers clear price information on the cost components of generation, transmission, distribution, and any other ancillary charges. Generation services should be subject to market competition and minimal economic regulation and at least functionally separated from transmission and distribution services which should remain regulated for the foreseeable future. . . .
- IV. Open Access to Transmission and Distribution Facilities. Non-discriminatory open access to the electric system for wholesale and retail transactions should be promoted. . . .
- V. **Universal Service**. (a) Electric service is essential and should be available to all customers. A utility providing distribution services must have an obligation to connect all customers in its service territory to the distribution system. A restructured electric utility industry should provide adequate safeguards to assure universal service. Minimum residential customer service safeguards and protections should be maintained. Programs and mechanisms that enable residential customers with low incomes to manage and afford essential electricity requirements should be included as a part of industry restructuring.

. . .

XIV. **Administrative Processes.** The commission should adapt its administrative processes to make regulation more efficient and to enable competitors to adapt to changes in the market in a timely manner. The market framework for competitive electric service should, to the extent possible, reduce reliance on administrative process. New Hampshire should move deliberately to replace traditional planning mechanisms with market driven choice as the means of supplying resource needs. . . .

#### **Privacy Policies for Individual Customer Data**

#### 363:37 Definitions. –

In this subdivision:

- I. "Individual customer data" means 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.
- II. "Service provider" means a public utility, as defined by RSA 362:2; a competitive electricity supplier, under RSA 374-F:7; an aggregator, as defined by RSA 53-E:2, II; a rural electric cooperative, under RSA 301:57; suppliers of natural gas, under RSA 362:4-b; and any other service provider that receives individual customer data from electric, natural gas, or water consumption.

- III. "Primary purpose" means the main reason for the collection, storage, use, or disclosure of individual customer data which is limited to:
- (a) Providing or billing for electrical or gas service.
- (b) Meeting system, grid, or operational needs.
- (c) Implementing demand response, customer assistance, energy management, or energy efficiency programs.

#### 363:38 Duties and Responsibilities of Service Providers. –

- I. No service provider shall:
- (a) Share, disclose, or otherwise make accessible to any third party a customer's individual customer data, except as provided in paragraph V or upon the express consent of the customer.
- (b) Sell individual customer data for any purpose without the express consent of the customer.
- (c) Provide an incentive or discount to the customer for accessing individual customer data, provided, however, that nothing shall prevent a service provider from providing consideration to a customer for reducing demand as part of a demand response, energy management, or energy efficiency program in which customer usage data is required to measure or verify such reduction.
- II. Service providers shall:
- (a) Collect, store, use, and disclose only as much individual customer data as is necessary to accomplish primary purposes.
- (b) Use individual customer data solely for primary purposes.
- III. A service provider that allows customer access to electric, natural gas, or water consumption data shall allow customer access to that data without requiring disclosure of that customer's individual customer data to third parties.
- IV. A service provider shall use reasonable security procedures and practices to protect individual customer data from unauthorized access, use, destruction, modification, or disclosure.
- V. (a) Nothing in this section shall preclude a service provider from using aggregate customer data for analysis, reporting, or program management after information that identifies an individual customer is removed.
- (b) Nothing in this section shall preclude a service provider from disclosing a customer's individual data to a third party for system, grid, or operational needs, or the implementation of demand response, customer assistance, energy management, or energy efficiency programs, provided that the service provider for contracts entered into after January 1, 2017, 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.
- (c) Nothing 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.

Source. 2016, 258:1, eff. Aug. 14, 2016.

#### EXCERPTS WITH EMPHASIS ADDED

## STATE OF NEW YORK PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on April 20, 2016

#### COMMISSIONERS PRESENT:

Audrey Zibelman, Chair Patricia L. Acampora Gregg C. Sayre Diane X. Burman, dissenting

CASE 14-M-0224 - Proceeding on Motion of the Commission to Enable Community Choice Aggregation Programs.

## ORDER AUTHORIZING FRAMEWORK FOR COMMUNITY CHOICE AGGREGATION OPT-OUT PROGRAM

(Issued and Effective April 21, 2016)

BY THE COMMISSION:

#### INTRODUCTION

The Commission initiated consideration of Community
Choice Aggregation (CCA) as part of both Governor Cuomo's
Reforming the Energy Vision (REV) initiative and its continued
review and revision of retail energy markets. The goals of both
REV and retail energy market reform include, among other things,
increasing the ability of individuals and communities to manage
their energy usage and bills, facilitating wider market-based
deployment of clean energy including energy efficiency, largescale renewables and distributed energy resources (DER), and
increasing the benefits of retail competition for residential
and small non-residential customers. A well-designed Community
Choice Aggregation (CCA) program will create these benefits for
participating communities. The Commission also previously

approved a petition by Sustainable Westchester, Inc. (SW) requesting authorization to run a CCA Pilot Program (the SW Pilot). The Commission will use the lessons learned from this experience in its review of future CCA applications.

CCA offers residential and small non-residential customers (mass-market customers) an opportunity to receive benefits that have not been readily available to them. At its February 23, 2016 Session, the Commission responded to the failure of energy service companies (ESCOs) to create benefits for most residential and small non-residential customers, as well as increasing customer complaints, by limiting the products that can be offered to those customers to products that create real customer value. CCA programs can result in more attractive energy supply terms than can be obtained by individual customers through the bargaining power that aggregation provides, the expertise provided by municipal or consultant experts, and the competitive public process for choosing a supplier.

More importantly, the CCA construct provides substantial positive opportunity for meaningful and effective local and community engagement on critical energy issues and the development of innovative programs, products, and services that

<sup>1</sup> Case 14-M-0101, <u>Reforming the Energy Vision</u>, Order Instituting Proceeding (issued April 25, 2014); Case 12-M-0476 <u>et al.</u>, <u>Residential and Small Non-Residential Retail Energy Markets</u>,

Order Instituting Proceeding and Seeking Comments Regarding the Operation of the Retail Energy Markets in New York State (issued October 19, 2012).

<sup>&</sup>lt;sup>2</sup> Case 15-M-0127, et al., <u>In the Matter of Eligibility Criteria</u> for <u>Energy Services Companies</u>. Order Resetting Retail <u>Energy Markets and Establishing Further Process</u> (issued February 23, 2016) (February Reset Order).

promote and advance the achievement of the State's energy goals. Existing programs such as the NY Prize microgrid competition, Solarize New York, and community distributed generation have demonstrated that local governments are an effective and powerful resource for educating and engaging citizens to take action with regard to energy that is positive for the environment, the resiliency of our power grid, and their own pocketbooks. CCA programs can educate, encourage, and empower communities and individuals to take control of their energy future through engagement with existing REV and CEF opportunities and development of new DER and clean energy programs.

For these reasons, the Commission authorizes the establishment of CCA programs by municipalities statewide.

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#### BACKGROUND

In December 2014, the Commission instituted a proceeding to consider establishing CCA programs in New York State and to evaluate potential structures and best practices for such programs. A Department of Public Service Staff (Staff) White Paper regarding CCA was attached to the Instituting Order (the White Paper). The White Paper posed 18 questions on various CCA program design and implementation issues for stakeholder comment. The Instituting Order and the White Paper contain extended discussion of the background for the authorization of CCA programs in New York, including the creation and oversight of retail energy markets, past and current uses of energy aggregation in New York, and the implementation of CCA in other states.

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<sup>&</sup>lt;sup>4</sup> Case 14-M-0224, <u>Proceeding on Motion of the Commission to Enable Community Choice Aggregation Programs</u>, Order Instituting Proceeding and Soliciting Comments (issued December 15, 2014) (Instituting Order).

#### NOTICE OF PROPOSED RULE MAKING

. . .

Comments were submitted by a wide variety of stakeholders representing various sectors impacted by CCA and are grouped by topic and addressed below. Also, written comments were submitted in response to questions posed at the Data Technical Conferences. A list of commenters is provided in Appendix A.

In general, the majority of stakeholders support the authorization of CCA in New York. They agreed that CCA programs are consistent with the goals of REV and have the potential to reduce costs and create benefits for customers, as well as promote a cleaner and more economically dynamic and efficient energy system. As discussed in the Instituting Order, the Staff White Paper, and several comments, CCA programs are already creating these benefits in other states.

A number of commenters expressed support for some aspects of CCA while expressing reservations about others. In addition, relevant comments received at, or filed after, the Data Technical Conferences are addressed. . . .

# Customer Eligibility

The Instituting Order and Staff White Paper addressed customer eligibility and included the following questions for stakeholder response:

• Should non-residential customers who are not served by ESCOs be included in CCA programs on an opt-out basis? If not, should they be included on an opt-in basis? . . .

#### Comments

AEA, Energy Next, Local Power Inc., and many others commented that CCA programs should include non-residential customers not served by an ESCO on an opt-out basis.

Constellation agreed with AEA, but suggested limiting those non-residential customers to those with a 50kW or less demand.

ATTACHMENT A (City of Lebanon Testimony on HB 315)

CASE 14-M-0224

[NY Dept. of State's Utility Intervention Unit] also agreed that non-residential customers should be included in CCA programs on an opt-out basis to ensure a greater likelihood of success for the CCA program. UIU noted that established CCA programs around the country have demonstrated that the larger the scale of customer participation, the greater the ability the municipality will have to negotiate lower energy rates and more favorable terms, as well as obtaining favorable financing options for locally-owned DER.

The Joint Utilities and MI agreed that residential and non-residential customers served by an ESCO should have the ability to opt-in to a CCA program. Constellation explained that customers already served by an ESCO should not be included in an opt-out CCA because it is essential to the competitive market that a customer's choice of ESCO be respected. . . .

CCP noted that in California, CCA programs are the default provider for any new customers in their territory. The Joint Utilities state that it should be the responsibility of each municipality to identify approaches that would recognize customers who move in or out of their area. The UIU stated that the CCA should be required to add customers as long as the additional load does not negatively impact the load forecast, which could drive up costs for the overall CCA program.

#### Discussion

All customers, including residential and nonresidential, regardless of size, shall be eligible to
participate in CCA programs. Based on experiences in other
states and considering the above comments, CCA participation can
be valuable for all customer rate classes and maximizing the
number of customers included in CCA programs will maximize the
overall benefits for CCA customer participants. . . .

Adoption of Opt-Out Aggregation for CCA Programs

A number of comments were received regarding whether

# ATTACHMENT C (City of Lebanon Testimony on HB 315)

CASE 14-M-0224

CCA programs need the enrollment of mass-market customers on an opt-out basis to be effective. Comments on this topic were received in response to several questions, including:

- Are there any reasons CCA programs should not be adopted, including issues with opt-out aggregation generally? (Q16)
- Are there any reasons supporting implementation of CCA, including descriptions of positive experiences in other states? (Q17) . . .

#### Comments

The overwhelming majority of commenters supported the opt-out provisions for CCA. Some commenters, however, questioned the need for Commission authorization of opt-out CCA programs since opt-in programs already exist. Joint Utilities assert that opt-in rather than opt-out more appropriately protects customers from unwanted switches by commodity suppliers. . . .

# Discussion

Affirmative consent for participation in retail energy markets has always been deemed an important consumer protection. The Commission has previously declined to authorize the enrollment of customers into ESCO service on an opt-out basis based on concerns that transferring blocks of load to ESCOs through auctions would unduly interfere with the operation of markets by undermining efforts to educate customers regarding retail choice and that such an approach would be inconsistent with the UBP, which state that transfers of customers without their affirmative consent are impermissible slamming, and the Public Service Law, which quarantees customers, subject to limited exceptions, that the utilities will always be available as a supplier. The Commission has required explicit customer consent prior to the transfer of data or initiation of ESCO service since the introduction of ESCOs into New York markets to protect customer choice, recognize the varying needs of different customers, and encourage voluntary participation in

retail energy markets. Permitting the inclusion of customers in CCA on an opt-out basis rather than requiring explicit, affirmative consent represents a significant policy change.

As more thoroughly described in the White Paper, CCA programs in other states have only been successful where opt-out aggregation is permitted for mass-market customers, while opt-in requirements have limited the success of widespread mass-market customer aggregation in New York. Opt-in aggregation has proved valuable to certain larger customer groups, but opt-out aggregation appears necessary for CCA programs to achieve the scale that will enable ESCOs to create meaningful benefits for mass market customers. Opt-in aggregation for residential customers is limited by the same factors that limit retail market participation in general, including lack of the time, interest, or knowledge needed to consider aggregation offers, lack of awareness, and the difficulty of comparing competing In order to leverage the negotiating power to draw offers from ESCOs that will benefit residents, municipalities must have a reasonable level of certainty that a critical mass of customers will be available for their programs, which is best provided through a well-designed opt-out CCA program.

Furthermore, consumer engagement and protections designed into the CCA programs under consideration here should alleviate concerns that previously warranted the reluctance to proceed with opt-out aggregation. For instance, a new CCA program can only be established upon a decision reached by elected representatives after significant public outreach. In particular, the requirement that elected officials approve a CCA program before one is implemented represents a reasonable proxy for customer consent, when coupled with consumer education efforts and individual customer opt-out processes. These measures, consistent with Commission policy, will provide meaningful opportunities for customers to learn about retail energy markets and determine whether the product offered by the

# ATTACHMENT C (City of Lebanon Testimony on HB 315)

CASE 14-M-0224

CCA program meets their needs. The customer engagement and optout processes, as described below, will also ensure that customers receive notice sufficient to make an informed choice and give them the opportunity to control the sharing of their data and the decision to enroll.

These characteristics of CCA programs will help ensure that customers served by ESCOs through these programs do not encounter high-pressure or deceptive sales tactics, as some other mass-market customers have experienced, because the ESCO will be chosen by the municipality through a competitive procurement process. In addition, the negotiating power resulting from the scale created by CCA programs and the ability of the municipality to compare multiple bids will allow mass-market customers served through a CCA to receive the same benefits from ESCO service that large commercial and industrial customers currently enjoy.

For these reasons, CCA programs will be permitted to enroll eligible customers on an opt-out basis. Approval of CCA as an opt-out program is specific to its context and to the protections it provides, and should not be interpreted as an indication that the Commission intends to eliminate or modify the general requirement for explicit customer consent.

• • •

#### CONCLUSION

Community Choice Aggregation, as a part of the REV proceeding, aligns with the Commission's vision for an energy system that is cleaner and more dynamic. It will increase the options available to mass-market customers and allow them to access benefits that were previously limited to large customers. It also enables communities to determine their own paths and goals and collaborate with individuals, ESCOs, utilities, and DER providers to meet those goals and enhance a rapidly changing energy system.

# Annotated SB 286 showing RSA 53-E its entirety as it would be amended with explanatory comments by Clifton Below for the City of Lebanon 4/22/19

**53-E:1 Statement of Purpose.** – The general court finds it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services. The general court finds that aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies. The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.

1. Aggregation of Electric Customers; Definition; Aggregation. Amend RSA 53-E:2, I to read as follows:

#### **53-E:2 Definitions.** – In this chapter:

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- I. "Aggregation" means the grouping of retail electric customers to <u>provide</u> <u>broker</u> or contract for electric power supply and energy services for such customers.
- II. "Aggregator" means, unless the context indicates otherwise, a municipality or county that engages in aggregation of electric customers within its boundaries.
  - III. "Commission" means the public utilities commission.
- IV. "Committee" means the electric aggregation committee established under RSA 53-E:6.
- V. "County" means any county within the state.
- VI. "Municipality" means any city, town, unincorporated place, or village district within the state.
- **2.** Aggregation of Electric Customers. Amend RSA 53-E:3 and RSA 53-E:3-a to read as follows:

#### **53-E:3** Municipal and County Authorities. – Any municipality or county may:

- I. Aggregate the retail electric customers within its boundaries who do not opt-out of or who consent to being included in an aggregation program.
- II. (a) Enter into agreements and provide for:
  - (1) The supply of electric power.
  - (2) Demand side management.
  - (3) Conservation.
  - (4) Meter reading.
  - (5) Customer service.
  - (6) Other related services.
- (7) The operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality's governing body.
- (b) Such agreements may be entered into and such services may be provided by a single municipality or county, or by a group of such entities operating jointly pursuant to RSA 53-A.

**53-E:3-a Municipal Aggregators Authorized.** – Municipal aggregators of electricity load under this chapter, and municipalities operating municipal electric utilities under RSA 38, are expressly authorized to aggregate other services commonly and regularly billed to customers. Municipalities may operate approved aggregation programs as self-supporting enterprise funds

Commented [CB1]: 1. All of the amendments are adding to existing text (shown as <u>underlined text</u>) with almost no deletions of existing text. This addition is to make clear that municipal or county aggregations that I'll call Community Power Aggregations ("CPAs") can directly provide services and not just contract for a separate entity to do so. Current language isn't completely clear in this respect.

**Commented [CB2]:** 2. This is the first place where an optout option needs to be addressed.

Commented [CB3]: 3. Same as note 1.

**Commented [CB4]:** 4. This makes clear that a CPA may administer a clean energy district (CPACE) if such is approved by the terms of the next chapter, RSA 53-F. This could open new opportunities for innovation in the provision of commercial energy efficiency and clean energy options.

Commented [CB5]: 5 Same as note 3.

**Commented [CB6]:** 6. Added for clarity, RSA 53-A, "AGREEMENTS BETWEEN GOVERNMENT UNITS" allows for the "joint exercise of powers."

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. Any such loans from other municipal enterprise funds must be used for purposes that have a clear nexus to the primary purposes of such other funds, such as generation, storage, or sale of power generated from sites, facilities, or resources that might otherwise be operated or produced by the other enterprise fund. Nothing in this chapter shall be deemed to limit the capacity of customers to select any service or combination of services offered by such municipal aggregators or to limit the municipality from combining billing for any or all utility services.

services.

3. New Section; Use of "Community Power" as a Name Reserved. Amend RSA 53-E by

<u>53-E:3-b Use of "Community Power" as a Name Reserved.</u> The use of the term "Community Power" following the name of a municipality or county shall be reserved for the exclusive use by such entity as a name for proposed or approved municipal or county aggregations. Aggregations operated jointly by a group of such entities pursuant to RSA 53-A may adopt an appropriate identifying name in conjunction with the term "Community Power" as a name.

inserting after section 3-a the following new section:

**4.** Aggregation of Electric Customers by Municipalities and Counties; Regulation; Financial Responsibility; Electric Aggregation Plan; Aggregation Program Adopted. RSA 53-E:4 through 53-E:7 are repealed and reenacted to read as follows:

#### 53-E:4 Regulation. -

I. An aggregator operating under the provisions of this chapter shall not be considered a utility engaging in the wholesale purchase and resale of electric power. Providing electric power or energy services to aggregated customers within a municipality or county shall not be considered a wholesale utility transaction. However, a municipal or county aggregation 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, including itself.

II. The provision of aggregated electric power and energy services as authorized by this chapter shall be regulated by this chapter and any other applicable laws governing aggregated

In Comment # 7: The use of revenue bonding (which are not backed by the full faith and credit of the government, but only by related revenue generation) for investing in power generation (up to 80 MW in capacity) is well established in NH law. See for example: RSA 374-D:2. This just makes clear that such authority may be exercised by a CPA. It is not clear that a municipality could use fund balance from another enterprise fund to capitalize an investment in power generation operated as part of a CPA enterprise fund. In Lebanon for example, it appears that the most beneficial way to fund an investment in a landfill gas to energy project may be to borrow from landfill fund balance, pay a higher return than those funds would otherwise return (for future landfill needs but still be a lower interest rate, with less complications, than the use of municipal revenue bonds).

**Commented [CB7]:** 7. See footnote #1 at bottom of next page.

Commented [CB8]: 8. See footnote #2.

Commented [CB9]: 9. This would reserve the use of the name "[muni name] Community Power" for each town and county, instead of more awkward terms "[muni name] municipal aggregation" or "community choice aggregation" and mimics the notion of "community solar" or "community renewables."

Commented [CB10]: 10. This would make clear that CPAs can elect to be load serving entities (LSEs) which need not make them into "wholesale utilities" although they would be participating in wholesale energy markets and subject to FERC jurisdiction in that regard.

<sup>&</sup>lt;sup>2</sup> [Comment #8: Examples of this would include: 1) power generation from renewable methane gas generated from municipal landfills or anerobic digesters that might take sludge from waste water treatment plants or food, yard, and other organic waste from solid waste and recycling operations, 2) hydroelectric generation facilities and equipment used to enable pumped storage facilities to provide demand response that are related to municipal water treatment and distribution operations, including in-line potable water generators, and 3) solar PV on sites otherwise operated by other enterprise accounts such as landfills, airports, water, and waste-water treatment enterprises.]

electric power and energy services in competitive electric markets.

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

An aggregator shall not be required to own any utility property or equipment to provide electric power and energy services to its customers.

IV. For the purpose of obtaining interval meter data for load settlement, the provision of energy services, and near real-time customer access to such data, municipal and county aggregators may contribute to the cost of electric utility provided meter upgrades, jointly own revenue grade meters with an electric utility, or provide its own revenue grade electric meter, which would be in addition to a utility provided meter, subject to commission finding in the public good and approval of the terms and conditions for such arrangements, including sharing or transfer of meter data from and to the electric distribution utility.

V. Municipal or county aggregations that supply power shall be treated as competitive electricity suppliers for the purpose of access to the electric distribution utility's electronic data interface and for ceasing operations.

VI. Municipal or county aggregations shall be subject to RSA 363:37-38<sup>3</sup> as service providers and individual customer data shall be treated as confidential private information and 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.

**53-E:5 Financial Responsibility.** – Retail electric customers who choose not to participate in an aggregation program adopted under RSA 53-E:7 shall not be responsible for, and no entity may require them to pay, any costs associated with such program, through taxes or otherwise except for electric power supply or energy services consumed directly by the municipality or county, or incidental costs, which may include costs necessary to comply with the provisions of this chapter up to the time that the aggregation starts to produce revenue from participating customers.

#### 53-E:6 Electric Aggregation Plan. -

I. The governing body of a municipality or county may form an electric aggregation committee to develop a plan for an aggregation program for its citizens. A municipality or county may join other municipalities or counties in developing such plans.

II. The plan shall provide 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 shall meet, at a minimum, the basic environmental and service standards established by the commission and other applicable agencies and laws concerning aggregated

<sup>3</sup> RSA 363:38, enacted in 2018, concerns "Privacy Policies for Individual Customer Data" and generally applies to what are non-governmental entities, not subject to RSA 91-A. In *Lamy v. NH Public Utilities Commission*, 152 N.H. 106 (2005) the NH Supreme Court found that the names and addresses of commercial customers of a utility in the records of the PUC are not confidential and are subject to public disclosure under RSA 91-A, so this would make clear that such is protected private information under the terms of RSA 363:38 even if held by a municipal entity covered by 91-A.

Commented [CB11]: 11. Because we anticipate that CPA participants in Lebanon would be equipped with interval meters, this would allow CPAs to pilot the use of TOU rates and other TVRs, such as real time pricing, subject to PUC approval.

Commented [CB12]: 12. This is necessary as NH IOUs have argued that any metering they provide should only have such capabilities as they deem appropriate (in Grid Mod investigation). Competitive markets for revenue grade metering have driven innovation and cost reductions for such well below what NH utilities are offering. This is key to enabling CPA customers to access real time pricing and innovative services that may rely on near real-time access to meter data. Even with a secondary revenue grade meter the utility could continue to use their own meter for distribution service charges. There is no need for a monopoly in meters used for load settlement, if they are overseen by PUC, much as customers and vendors can supply their own revenue grade meters for REC production, read by an independent monitor per PUC rules and approval.

Commented [CB13]: 13. Currently only competitive electricity providers can use utility electronic data interfaces (EDI) for customer enrollment and transfer. This would allow CPAs to do so as if they were competitive electricity suppliers, subject to the same requirements.

**Commented [CB14]:** 14. SEE FOOTNOTE at bottom of page for comment.

**Commented [CB15]:** 15. It is not clear that RSA 363:37-38 allows for such uses. SB 78 also addresses this issue.

Commented [CB16]: 16. Incidental costs are not defined, and this is of concern in terms of municipal officials not wanting to avoid any inadvertent violation of the law. This would create a logical limit on those costs allowing for expenses necessary to comply with the statute before a CPA is up and running, such as the cost of a mailing to all electric customers within the municipality required by RSA 53-E:7, II.

Commented [CB17]: 17. Many towns (and counties) are served by more than one electric distribution utility and the opportunities (such as for interval metering) and tariffs that enable various options may not be uniformly available across the different territories, so this recognizes that reality.

service.

III. The plan shall detail:

- (a) The organizational structure of the program;
- (b) Operation and funding;
- (c) Rate setting and other costs to participants, <u>including whether energy supply services are</u> offered on an opt-in basis or on an opt-out basis as an alternative default service;
  - (d) The methods for entering and terminating agreements with other entities;
  - (e) The rights and responsibilities of program participants; and
- (f) How the program will ensure participants who are enrolled in the Electric Assistance Program administered by the commission will receive the discount.
  - (g) Termination of the program.
- IV. The committee shall approve a final plan which the committee determines is in the best, long-term interest of the municipality or county and the ratepayers.
- V. The committee shall solicit public input in the planning process and shall hold public hearings.

## 53-E:7 Aggregation Program Adopted. –

I. The governing body of a municipality or county may submit to its legislative body for adoption a final plan for an aggregation program or any revision to include an opt-out default service program, to be approved by a majority of those present and voting.

II. If the plan is adopted or once adopted is revised to include an opt-out alternative default service, the municipality or county shall mail written notification to each retail electric customer within the municipality or county. To enable such mailed notification and notwithstanding RSA 363:38, after an aggregation plan is duly approved the electric distribution utility or utilities serving an adopting municipality or county shall provide to such municipality or county a current list of the names and mailing addresses of all their electric customers taking distribution service within the municipality or county. Notification shall include a description of the aggregation program, the implications to the municipality or county, and the rights and responsibilities that the participants will have under the program, and if provided on an opt-out basis, the fixed rate or charges that will apply. No retail electric customer shall be included in the a program in which the customer does not know all of the rates or charges they may be subject to at least 30 days in advance of their application and has the option, for a period of not less than 30 days from the date of the mailing, to opt-out of being enrolled in such program, unless the customer affirmatively responds to the notification or requests in writing to be included in the program.

III. Within 15 days after notification of the plan has been sent to retail electric customers in the service area, a public information meeting to answer questions on the program shall be held.

IV. Services proposed to be offered by or through the aggregation shall be on an opt-in basis unless the approved aggregation plan explicitly creates an opt-out alternative default energy service program where the rate or price is known at least 30 days in advance of its application and, for a period of not less than 30 days from the date notification is mailed, the customer has the opportunity to opt-out of being enrolled in such program, by return postcard, web site, or such additional means as may be provided. Customers who are on default service provided by an electric distribution utility shall be automatically enrolled in an aggregation provided alternative default service if they do not elect to opt-out. Customers opting-out will instead remain on utility provided default service. Customers taking energy service from a competitive electricity supplier shall not be automatically enrolled in any aggregation program, but may

**Commented [CB18]:** 18. This is to make clear that a plan should specify whether all services being offered are on an opt-in basis, or whether a default service option may be offered on an opt-out basis.

Commented [CB19]: 19. This language, suggested by the PUC, it to help ensure that low-income customers that receive a discount on their electric bill through the EAP don't inadvertently lose their discount with program implementation.

**Commented [CB20]:** 20. These are to make clear that an aggregation plan could initially be adopted on an opt-in only basis but be subsequently revised to offer an opt-out default energy service option, with approval by the legislative body, like any original plan.

Commented [CB21]: 21. Right now there is a catch-22. The muni must mail notice to every electric customer, but RSA 363:38 prohibits the utility from sharing those mailing addresses with the muni without prior written consent of the customer. The muni or county would itself also be subject to RSA 363:37-38 per 53-E:4, VI above.

**Commented [CB22]:** 22. This provides customers with needed information to compare the CPA default option with the utility provided default energy service, and time to optout of being enrolled in the CPA default service.

**Commented [CB23]:** 23. This paragraph details how an opt-out default service option would work.

voluntarily opt-in. New customers to the electric distribution utility after the notification mailing required by paragraph II shall be given a choice of enrolling in utility or aggregation provided default service, where such exists, including pricing for each when they apply for service. Such new customers may also enroll with a competitive electricity supplier. New customers who do not make such a choice shall be enrolled in the default service of any geographically appropriate approved aggregation, or, if none exists, the utility provided default service. Municipal aggregations shall take priority or precedence over any county aggregations. Customers automatically enrolled in a municipal or county provided default service shall be free to elect to return to utility provided default service or to transfer to a competitive electricity supplier with adequate notice in advance of the next regular meter reading by the distribution utility, in the same manner as if they were on utility provided default service or as approved by the commission.

V. Once adopted an aggregation plan and program may be amended and modified from timeto-time as provided for by the governing body of the municipality or county. In all cases the
establishment of an opt-out default service program shall be approved as provided in paragraph I.

VI. The commission shall adopt rules, pursuant to RSA 541-A, relative to administration and
implementation of this chapter.

**53-E:8 Other Aggregators.** – Nothing in this chapter shall preclude private aggregators from operating in service areas served by municipal or county aggregators.

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5. Voluntary Corporations and Associations; Name. Amend RSA 292:3, II(d) to read as follows:

follows:(d) The name of an agency or instrum

- (d) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, *including names reserved pursuant to RSA 53-E*.
- Business Corporation Act; Corporate Name. Amend RSA 293-A:4.01(b)(4), to read as follows:
- 27 (4) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, *including names reserved pursuant to RSA 53-E*.
- 7. New Hampshire Investment Trusts; Use of Name Regulated. Amend RSA 293-B:17, I(b)(4)
   to read as follows:
  - (4) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, *including names reserved pursuant to RSA 53-E*.
  - **8.** Professional Corporations; Name; Amend RSA 294-A:7, III(a)(4) to read as follows:
    - (4) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, *including names reserved pursuant to RSA 53-E*.
- 9. Uniform Partnership Act; Registered Limited Liability Partnerships; Name. Amend RSA
   304-A:45, II(d) to read as follows:
- 38 (d) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, *including names reserved pursuant to RSA 53-E*.
- 40 10. Uniform Limited Partnership Act; Name. Amend RSA 304-B:2, III(d) to read as follows:

**Commented [CB24]:** 24. This addresses how an aggregation plan might be amended or modified, once initially adopted and again requires any opt-out program to be approved by both the governing and legislative body.

Commented [CB25]: 25. This was requested by the PUC in the Senate, although the language they suggested wasn't offered in time to make it into the Senate amendment so generic rule-making language was included. The House may want to amend the bill to use the PUC recommended language instead.

Commented [CB26]: 26. This series of amendments make clear that the term "Community Power" in conjunction with a municipal or county name is reserved for the use of municipalities and counties. It follows all the provisions covered by SB 413 of 2018.

1 2	(d) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, <i>including names reserved pursuant to RSA 53-E</i> .
3	11. Limited Liability Companies; Name. Amend RSA 304-C:32, III(d) to read as follows:
4 5	(d) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, <i>including names reserved pursuant to RSA 53-E</i> .
6 7	<b>12.</b> Foreign Limited Liability Companies; Name. Amend RSA 304-C:177, I(e)(4) to read as follows:
8 9	(4) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, <i>including names reserved pursuant to RSA 53-E</i> .
10	13. Registration of Foreign Partnerships; Name. Amend RSA 305-A:2-e, I(d) to read as follows:
11 12	(d) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, <i>including names reserved pursuant to RSA 53-E</i> .
13 14	<b>14.</b> Cooperative Marketing and Rural Electrification Associations; Use of Name Regulated. Amend RSA 301:43-a, II(d) to read as follows:
15 16	(d) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, <i>including names reserved pursuant to RSA 53-E</i> .
17	<b>15.</b> Trade Names. Amend RSA 349:1, IV(a)(4) to read as follows:
18 19	(4) The name of an agency or instrumentality of the United States or this state or a subdivision thereof, <i>including names reserved pursuant to RSA 53-E</i> .
20 21	<b>16.</b> Definitions in the Renewable Energy Portfolio Standard. Amend RSA 362-F:2, XIV to read as follows:
22 23 24	XIV. "Provider of electricity" means a distribution company providing default service or an electricity supplier as defined in RSA 374-F:2, II, but does not include municipal suppliers that are municipal utilities pursuant to RSA 38.
25 26	<b>17.</b> Definitions in the Electric Utility Restructuring Act. Amend RSA 374-F:2, I-a to read as follows: –
27 28 29 30 31	I-a. "Default service" means electricity supply that is available to retail customers who are otherwise without an electricity supplier and are ineligible for transition service <u>and is provided by electric distribution utilities pursuant to the provisions of RSA 374-F:3, V or as an alternative, by municipal or county aggregators pursuant to the provisions of RSA 55-E.</u>
32	18. Competitive Electricity Supplier Requirements. Amend RSA 374-F:7, II to read as follows:
33 34	II. Aggregators of electricity load that do not take ownership of power or other services and do not represent any supplier interest are not public utilities pursuant to RSA 362:2, but shall

notify the commission of their intent to do business. Municipalities that aggregate electric

pursuant to RSA 362:2 and are not subject to the provisions of paragraph III and section

power or energy services for their citizens pursuant to RSA 53-E are not public utilities

Commented [CB27]: 27. I believe the original intent of this was to exempt existing municipal electric utilities (of which there are a handful of small ones in NH) from the RPS so as to not create an unfunded mandate. This would limit that exemption to such municipal electric utilities, so municipal aggregations that function as electricity suppliers would not be exempt from the RPS, and since none exist today and it is a voluntary choice, there is no unfunded mandate.

**Commented [CB28]:** 28. This makes clear that CPAs may provide an alternative to utility provided default service, but without the regulation written for IOUs.

Commented [CB29]: 29. These two referenced sections pertain to ratepayer protections against abuse and unfair practices by competitive suppliers. As public entities subject to voter control through elected representatives (including select persons, city councilors and the like) as well as through voting at town meetings, regulatory oversight of CPAs is not necessary to the same extent as for competitive suppliers who are not accountable to voters. This follows the model for the NH Electric Coop, which was exempted from most PUC regulation once a majority of its members voted to self-regulate and is consistent with RSA 374-F:3, XIV, the restructuring policy principle that calls for reducing "reliance on administrative process" to the extent possible. The PUC 2000 rules were amended in 2017 to fully implement RSA 374-F:4-b and the PUC expressly exempted municipal and county aggregations from those rules at Puc 2001.02 (b): "These rules shall not apply to municipalities operating municipal electric utilities under RSA 38, or to municipalities or counties providing electricity or aggregating within the boundaries of participating

municipalities under RSA 53-E, or to utilities as defined in

Puc 2002.24."

374-F:4-b

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1 Suggested amendment for PUC review of electric aggregation plans.

C. Below 2/5/21

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# 53-E:7 Aggregation Program. –

I. The governing body of a municipality or county may submit to its legislative body for adoption a final plan for an aggregation program or any revision to include an opt-out default service program, to be approved by a majority of those present and voting. *Every electric aggregation plan approved by a legislative body shall also be approved by the commission pursuant to paragraph II before becoming effective.* 

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II. Every electric aggregation plan and any revision of a plan to include an opt-out default service program shall be submitted to the commission either before or after being submitted by the governing body to the legislative body for approval, to determine whether the plan conforms to the requirements of this chapter and applicable rules of the commission. The commission shall approve any plan submitted to it unless it finds that it does not meet the requirements of this chapter and other applicable rules and shall detail in writing addressed to the governing bodies of the municipalities or counties concerned, the specific respects in the which the proposed plan substantially fails to the met the requirements of this chapter and applicable rules. Failure to disapprove a plan submitted hereunder within 30 days of its submission shall constitute approval thereof. A municipality or county may submit a plan that is revised to comply with applicable requirements at any time and start the review process over. Any plan submitted to the commission under this paragraph shall also be submitted on the same date to the office of the consumer advocate under RSA 363:28 and any electric distribution utility providing service within the jurisdiction of the municipality or county. The consumer advocate, utilities, and members of the public may file comments about such plans within the first 7 days of their submission. Commission review and approval of electric aggregation plans shall not require a contested case but shall allow time for submission and consideration of any such comments.

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This language is based on the statutory language in RSA 53-A:3, V, concerning agreements for joint exercise of powers by public entities:

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Every agreement made hereunder shall, prior to and as a condition precedent to its entry into force, be submitted to the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state. The attorney general shall approve any agreement submitted to him hereunder unless he shall find that it does not in substance meet the conditions set forth herein and shall detail in writing addressed to the governing bodies of the public agencies concerned the specific respects in which the proposed agreement substantially fails to meet the requirements of law. Failure to disapprove an agreement submitted hereunder within 30 days of its submission shall constitute approval thereof.

Suggested Amendment to HB 315 to deal with new customers after CPA launch. (from Clifton Below, 2/9/21)

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[This proposed amendment draws from some of the text in in SB 91, Part VI and in HB 315, section 8, to further refine the text to make the enrollment of new customers to community power aggregations work well with existing utility software and processes. This is an area of general agreement between utilities and advocates of community power aggregations.]

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Amend RSA 53-E:7, IV to read as follows:

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IV. Services proposed to be offered by or through the aggregation shall be on an opt-in basis unless the approved aggregation plan explicitly creates an opt-out alternative default energy service program where the rate or price is known at least 30 days in advance of its application and, for a period of not less than 30 days from the date notification is mailed, the customer has the opportunity to opt out of being enrolled in such program, by return postcard, website, or such additional means as may be provided. Customers who are on default service provided by an electric distribution utility shall be automatically enrolled in an aggregation provided alternative default service if they do not elect to opt out. Customers opting out will instead remain on utility-provided default service. Customers taking energy service from a competitive electricity supplier shall not be automatically enrolled in any aggregation program, but may voluntarily opt in. New customers to the electric distribution utility after the notification mailing required by paragraph II shall initially be enrolled in utility provided default service unless the customer has relocated within a single utility's service area and is continuing service with a competitive supplier.- [be given a choice of enrolling in utility provided default service or aggregation provided default service, where such exists. New customers shall be informed of pricing for each when they apply for service. Such new customers may also enroll with a competitive electricity supplier. New customers who do not make such a choice shall be enrolled in the default service of any geographically appropriate approved aggregation, or, if none exists, the utility provided default service. The utility shall periodically, but not more frequently than monthly, make available to each operating municipal aggregation, or county aggregation where there is no municipal aggregation, the names, account numbers, and mailing addresses of customers that are new to the electric distribution utility after they have provided the customer list for the initial customer mailing required by paragraph II and that are located within the aggregation. The aggregation shall periodically mail a written notification to such customers and shall enroll them in the aggregation consistent with the opt-in or opt-out requirements of this paragraph and paragraph II. Municipal aggregations shall take priority or precedence over any county aggregations and each such aggregation shall be responsible for assuring that customers are enrolled with the correct aggregation. Customers automatically enrolled in a municipal or county provided default service shall be free to elect to return to utility provided default service or to transfer to a competitive electricity supplier with adequate notice in advance of the next regular meter reading by the distribution utility, in the same manner as if they were on utility provided default service or as approved by the commission.

# The Declaration on Energy Choice & Competition

A Civil Society Call for all Leaders of Governments, States & Nations to Remove Barriers to Affordable, Reliable & Clean Energy

We, members of civil society and representatives of civil society organizations from across the world, first gathering in New York City – the site of Thomas Edison's first electrical lighting system and commercial-scale power plant – now join together with all present and future signatories, to call upon all leaders of governments, states and nations to undertake practical policy reforms that will improve the lives of billions of people by removing barriers to access to affordable, reliable, clean energy.† In support of this declaration, we offer these simple observations:

Clean Energy Saves Lives — Improving access to affordable, reliable, clean energy would save millions of lives every year. Over 2.5 billion people currently live in dwellings that use dirty fuels—such as wood, dung, coal and kerosene—for cooking, heat and light. [1] As a result, each year, around 2.7 million people, the majority of them women, die as a result of indoor air pollution caused by these dirty fuels. Another 4 million people die from outdoor air pollution caused in part by the use of dirty fuels in power generation and transportation. [2] In addition, energy is essential to the production and distribution of clean water, which is important not least because dirty water causes about 800,000 deaths each year. [3]

Reliable, Inexpensive Energy Promotes Economic Development — Access to increasingly reliable and efficient sources of energy has been a key driver of economic development. [4] Given its importance as a factor of production, expensive energy drives up costs, undermines competitiveness and reduces the amount of capital available for investment in innovation. Modern economies need affordable, reliable energy—especially electricity—for everything from basic industrial production to communications to air conditioning. Yet, over 800 million people currently have no access to electricity and many more lack access to *reliable* electricity. [5] This impedes, and may prevent, economic development.

Reliable, Inexpensive Energy Eases Adaptation to Climate-Related Problems – Most of the problems associated with climate change, such as access to adequate nutrition, clean water and sanitation, vector-borne diseases, natural disasters, and direct harms from heat, are problems today. Many can be reduced—and maybe even eliminated—through the use of technologies that rely on access to clean, reliable, affordable energy. [6].

Innovative, Reliable, Affordable, Low-Emission Energy and Affordable Energy-Efficient Products are Essential for Cost Effective Greenhouse Gas Emission Reductions — While GHG emissions have fallen in some nations, global emissions continue to rise. For GHG emission reductions to become politically and economically realistic for the world as a whole, barriers to the adoption of existing affordable, lower-carbon technologies and affordable energy efficient products

must be removed. Breakthrough energy innovation could also improve affordability, reliability, access, and safety, with economic, environmental and health benefits.

Access to Improved Clean, Reliable, Affordable Energy is Best Achieved by Maximizing Choice and Competition – Choice and competition drive innovation, as producers strive to deliver better quality goods and services to consumers at lower prices. In seeking to lower costs of production, to remain competitive and sell more goods, producers reduce the use of inputs. In the case of energy, this increase in productive efficiency leads to reduced use of fuel and lower emissions per unit of output. Over time, this dynamic has driven a trend towards lower carbon emissions per unit of output. [7] This trend is greater in competitive power markets, such as those in Chile, Texas, Sweden, Norway and Finland, which have more affordable energy than many monopoly markets. [8] They also generally have high market share for low- and zero-emission power. [9]

Open, competitive energy markets are an essential component of any policy seeking to mitigate climate change risk through reduced emissions of greenhouse gases. First, because energy innovations simply cannot spread if markets are closed. Second, because there could exist no better incentive for rapid acceleration of energy innovation than the enormous potential offered by vast, growing, open energy markets, ready to adopt and scale up the best innovations. Finally, any policy oriented towards reductions in GHG emissions can only work if markets are open to innovation and transformation, and not impeded by bureaucratic rules and monopoly privileges.

Barriers to Choice and Competition in Energy Generation and Distribution are Contrary to our Human Rights – Article 3 of the Universal Declaration of Human Rights states that "Everyone has the right to life, liberty and security of person." While Article 7 states, inter alia, that "All are equal before the law and are entitled without any discrimination to equal protection of the law." And Article 27 states that "Everyone has the right freely... to share in scientific advancement and its benefits."

Taken together, these rights entail that each person has the right to protect their life from harms that might arise, such as those associated with pollution, contaminated water, disease and climate change – and to do so using whatever technologies they choose, so long as their action does not interfere with the like rights of others.

Therefore, we can conclude from the UN Universal Declaration of Human Rights, that everyone derives a right to produce, buy, trade or use the energy of their choice, and products using the energy technology of their choice, so long as doing so is reasonably clean and safe and does not infringe on the rights of others.

Yet today, billions of people are very much impeded in their ability to use and avail of modern energy technologies that would enable them better to protect their lives (to say nothing of improving those lives). Moreover, they are impeded through actions that are blatantly discriminatory, often through state preferences for energy technologies and companies and through various state-imposed restrictions on access to technologies and arrangements (such as micro-grids) that would better enable individuals to protect themselves.

Local Efforts to Advance Energy Choice and Competition will be Aided Greatly if Local, State & National Leaders Unite in Commitment to Such Energy Market Freedoms.

### Thus, observing that:

- 1. Whereas access to clean, reliable, affordable energy is essential for human flourishing -- and to enable more effective mitigation of and adaptation to climate risks.
- 2. Whereas choice and competition empower and broaden access to clean, reliable, affordable energy.
- 3. Whereas choice and competition in energy generation, transmission and distribution are necessary for full protection of our human rights.

# We hereby do DECLARE that:

In order to improve access to clean, reliable, affordable energy for all, and thereby reduce harmful air pollution, improve access to clean water and sanitation, reduce disease, improve productivity, and enable more rapid innovation and economic development, as well as more rapid and effective mitigation of and adaptation to diverse climate change risks, we now call upon leaders of all governments, states and nations to commit substantially to reduce, within and between nations, not only government-sanctioned barriers to choice and competition in energy markets, but also similar barriers to cleaner and more efficient products and energy innovations.

First Signed and So Declared, in Council on November 5, 2019, and Then Thereafter, by:

#### Footnotes:

- † The signatories to this Declaration represent a diverse set of individuals and groups. In signing this Declaration, signatories imply neither assent nor dissent with respect to statements or actions of other signatories. Signatories may also submit separate and independent-minded commentary on the Declaration and issues discussed herein.
- [1] https://www.iea.org/sdg/cooking/
- [2] https://www.who.int/airpollution/en/
- [3] https://www.who.int/news-room/fact-sheets/detail/drinking-water
- [4] https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=1878863; http://vaclavsmil.com/wp-content/uploads/docs/smil-articles-science-energy-ethics-civilization.pdf
- [5] https://www.iea.org/sdg/electricity/
- [6] https://www.researchgate.net/publication/242088799\_Which\_Policy\_to\_Address\_Climate\_Change
- [7] https://kk.org/extrapolations/energy-mix-overall-consumption-prices-emissions/
- [8] <a href="https://regulationbodyofknowledge.org/wp-content/uploads/2013/03/OECDIEA\_Competition\_in\_Electricity.pdf">https://regulationbodyofknowledge.org/wp-content/uploads/2013/03/OECDIEA\_Competition\_in\_Electricity.pdf</a>;

  <a href="https://www.researchgate.net/publication/222532951\_Why\_has\_the\_Nordic\_electricity\_market\_worked\_so\_well;">https://www.researchgate.net/publication/222532951\_Why\_has\_the\_Nordic\_electricity\_market\_worked\_so\_well;</a>

  <a href="https://www.iea.org/publications/freepublications/publication/EnergyPoliciesBeyondIEACountriesChile2018Review.pdf">https://www.iea.org/publications/freepublications/publication/EnergyPoliciesBeyondIEACountriesChile2018Review.pdf</a>

# [9] https://www.ei.se/PageFiles/310277/Ei\_R2017\_06.pdf;

https://thehill.com/opinion/energy-environment/457353-deregulated-energy-markets-made-texas-a-clean-energy-giant; Studies comparing monopoly to competitive power markets also bear this out. Competitive US state markets have delivered faster decarbonization at a lower cost, compared to monopoly markets since 1997. See: <a href="https://www.resausa.org/phil-oconnor-thought-leadership">https://www.resausa.org/phil-oconnor-thought-leadership</a>



#### CITY OF LEBANON

51 North Park Street Lebanon, NH 03766 (603) 448-4220

February 9, 2021

Hon. Michael Vose Chair, Science, Technology & Energy Committee New Hampshire House 107 North Main St. Concord, NH 03301

# RE: HB 315, relative to the aggregation of electric customers

Dear Rep. Vose & Members of the NH House Science, Technology & Energy Committee,

As the Assistant Mayor of the City of Lebanon I write to express and explain the City's strong opposition to HB 315 as introduced. The one suggested amendment that I have seen, dated 2/1/21 and circulated by Eversource, does little overall to address the many problems with this bill, so I will address that too.

Let me be clear though, I recognize that RSA 53-E could be improved upon, and there are a few parts of this bill that would improve RSA 53-E and help expediate the development of municipal and county electric aggregations (that I call community power aggregations or CPAs for shorthand). To that end I would be happy to work with the committee, sponsors, PUC, utilities, and other interested stakeholders to find language that can gain broader support, either in HB 315 or SB 91. Absent much broader bipartisan support for an amendment, I recommend the bill be found Inexpedient to Legislate or retained for future consideration and allow the PUC to propose administrative rules and SB 91 to come over from the Senate with broad bipartisan support, which is when we usually make the best policy decisions for energy legislation.

I have heard that this bill is intended to speed up the adoption of rules to enable CPAs to launch sooner, but it has already been more than a year and a half since the Governor signed SB 286 into law creating that need and authority. The PUC began an informal stakeholder discussion of draft proposed rules nearly a year ago. After a series of virtual work sessions concluded last November PUC staff indicated that they expected that the commission might make an initial proposal in December, and then in December staff told at least one person maybe in January. My guess is that an initial proposal is now on hold due to the introduction of HB 315, which may further delay the start of formal rule making by perhaps another 6 months or more. My suggestion is to allow the PUC to proceed with proposed rules and then consider whether a course correction is needed.

The City favors market-based choices for energy supply and services over regulated monopoly control of customer choice. In numerous ways that I will detail HB 315 largely guts RSA 53-E as a means to help animate the retail market for residential and small business customers in order "to harness the power of competitive markets" "to reduce electricity costs for all consumers of electricity," drive market-based innovation and a "more productive economy while maintaining safe and reliable service with minimum adverse impacts on the environment" as is the stated goal of RSA 374-F, NH's Electric Utility Restructuring Act, enacted 25 years ago this spring.

# **HB 315:**

- Is contrary to the RSA 374-F purpose of increasing "customer choice and the development of competitive markets for wholesale and retail electricity services." (RSA 374-F, I).
- Is contrary to the General Court's finding (in 1996 in RSA 53-E, I) that it is "in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services."
- Stands against the finding that community power "aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies." *Id.*
- If enacted, would frustrate the stated purpose of RSA 53-E "to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities." *Id*.
- Is **against customer choice** for competitive electricity services.
- Greatly limits or eliminates community choice and local control.
- Frustrates efforts to "provide electricity buyers and sellers with appropriate price signals" and "improve public confidence in the electric utility industry." (RSA 374-F:1, II)
- Stands in opposition to opening "markets for new and improved technologies." (RSA 374-F:1, II).
- Further delays and obstructs Grid Modernization efforts.
- Has the potential to delay the development of CPAs by 2 years or more.
- Reinforces and expands monopoly control of electricity services that are not inherently monopoly functions.

I note this provision of the purpose clause in RSA 374-F, II:

II. A transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire constitution which reads in part: "Free and fair competition in the trades and industries is an inherent and essential right of the people

and should be protected against all monopolies and conspiracies which tend to hinder or destroy it.

I urge you, on behalf of the City of Lebanon and the many other communities that will be represented by others testifying against this bill, to consider the power invested in you to favor competition, free markets, and customer choice over monopoly power, as called for in our NH Constitution at Part II, Article 83 that provides, for the purpose of limiting and regulating the power of monopolies that:

"... all just power possessed by the state is hereby granted to the general court to enact laws to prevent the operations within the state of all persons and associations, and all trusts and corporations, foreign or domestic, and the officers thereof, who endeavor to raise the price of any article of commerce or to destroy free and fair competition in the trades and industries through combination, conspiracy, monopoly, or any other unfair means; [and] to control and regulate the acts of all such" entities.

RSA 53-E as HB 315 would amend it, along with comments, is <u>Attachment A</u> to my testimony.

Before I turn to my detailed critique of HB 315, for the many new members of ST&E I'd like to share with you a little bit of the journey that has brought me to this point. I served on ST&E for 6 years from 1992 to 1998. As the ranking minority member, I collaborated closely with then Chair Rep. Jeb Bradley on all the legislation regarding restructuring of the electric industry. All of the important energy and electric utility legislation was passed with overwhelming bipartisan support, regardless of who sponsored it. I believe that is because we worked hard to find the common ground that made the most sense to the most people and stakeholders.

Rep. Bradley and I were the lead sponsors and drafters of RSA 374-F over the course of 1995 and the winter of 1996. The bill that first created RSA 53-E came over from the Republican led Senate during the 1996 cross-over in which we sent them the Electric Utility Restructuring Act. The Senate version of the bill creating RSA 53-E allowed municipal aggregation on an opt-out basis. Then Rep. Bradly sponsored the amendment in ST&E that limited aggregation to an optin only basis and created most of RSA 53-E as it existed until 2019 when now Sen. Bradley cosponsored SB 284 that enabled aggregation on an opt-out basis as well. I supported that original amendment, allowing only opt-in aggregation, as both pieces of legislation, for restructuring to make retail generation supply a competitive market function and to enable municipal and county retail electric aggregation, were the first such laws in the nation and it made sense to proceed cautiously.

I went on to serve in the state Senate for 6 years (1998-2004) and was appointed to serve as a NH Public Utilities Commissioner in 2005, where I served until 2011 in such capacities as President of the New England Conference of Public Utilities Commissioners, on the FERC-NARUC smart grid and demand response collaborative, and on the Electric Power Research Institute (EPRI) public advisory council and its smart grid and energy efficiency advisory group. For the past 6 years I have served as a Lebanon City Councilor where I have volunteered my time and expertise to provide advocacy and testimony on behalf of the City in numerous PUC proceedings, including DE 16-576 to develop new alternative net metering tariffs. *Attachment B* is a

statement of my background and a more detailed one is available on my Linkedin page: <a href="https://www.linkedin.com/in/clifton-below">www.linkedin.com/in/clifton-below</a>.

In my testimony in that net metering proceeding, I proposed that the City of Lebanon partner with Liberty Utilities to undertake a pilot using real time pricing (RTP, also known as LMP for locational marginal price) as an element in valuing exports of net metered power to the grid, along with enabling RTP for customer imports or purchases from the grid. Proposed settlements and the PUC order in that case in 2017 called for each utility to undertake a time-varying rate (TVR) pilot with the Liberty's being the RTP pilot with the City that was to use opt-in municipal aggregation under RSA 53-E as it existed at the time. The PUC endorsed that idea and directed Liberty to work with the City to work out the details of such a pilot.

One of the first problems we ran into is that the RSA 53-E:7, II required that written notification about the aggregation program be sent to every electric utility customer within the municipality but did not require the utility to provide the names and addresses for such customers to enable such a mailing. Liberty concluded that the more recently enacted RSA 363:38 precluded them from providing an approved aggregation with customer names and addresses to comply with RSA 53-E. So, we put the RTP pilot on hold and sought to amend RSA 53-E and bring it up to date in terms of enabling the possibility of value-added services and rate options that could expand retail customer choice and generate cost savings and benefits for all ratepayers. We also realized that no state had successfully developed municipal aggregation solely with an opt-in option, so offering an opt-out option, if approved by a majority vote of the legislative body of the local jurisdiction as a proxy for individual consent, would be an appropriate option to offer municipalities and counties.

That bill, SB 286, received unanimous favorable votes out of committee in both chambers and Governor Sununu signed it into law on August 2, 2019 and it became effective on 10/1/19. However, because it was heard in the House Municipal & County Government committee, members of this committee may not be as familiar with all the reasons for the 2019 amendments to RSA 53-E, which were carefully thought through, so I am providing the City's testimony for that bill in the House as *Attachment C*.

#### **SPECIFIC ISSUES WITH HB 315**

The first cross reference below is to the bill PDF page, section, and line numbers while the  $2^{nd}$  reference is to the Comment (A1-A23, with associated page and line number) in <u>Attachment A</u>, RSA 53-A as it would be amended by HB 315.

p.1, §1, lines 1-4; **A1** (p.1, lines 14 & 31) strikes the word "*provide*" from the definition of what CPAs are authorized to do, with the apparent intent to require municipalities and counties to ONLY be able to offer aggregation through 3<sup>rd</sup> party contractors. Municipalities and counties only have authority as is granted to them by law. If a word is in the statute today and then is removed by new legislation, that has to be given weight as reversing the inclusion of the word. Thus, in combination with §3 of the bill at line 11, where "*provide*" is also removed from the statute, the effect would be to say that CPAs <u>cannot</u> "*provide*" supply of electric power or any other related

services except through 3<sup>rd</sup> party brokers or contractors. While many CPAs may want to do exactly that, others may want to be able to *provide* some of these services directly.

For example, the City of Lebanon is continuously flaring about 1 MW (1,000 kW) worth of renewable methane gas from its regional landfill (from the anerobic breakdown of organic materials like cellulosic and food wastes). We have been considering installation of electric generation for landfill gas to energy (LFGTE). It would produce more than the City government itself consumes, so we would like the option to use it to *provide* part of the electric supply needed by our planned Lebanon Community Power municipal aggregation (LCP). HB 315 would prohibit us from doing so unless we did a work around through a broker and 3<sup>rd</sup> party supplier resulting in needless extra costs and legal complications. We could just group net meter the power and get paid the default service rate for all of its production to the grid, but a market-based option for the City to provide the power to or through LCP, such as HB 294, HB 407, or SB 91 would more clearly enable, might be a better alternative for all ratepayers, avoiding any issue of cross subsidies that come up with net metering. Likewise, the City of Nashua owns hydroelectric dams that it might want to use to *provide* some of the power needed for their CPA and Hanover is looking to develop a community solar project that could *provide* some of the electric supply for its CPA. The alternative to allowing CPAs to *provide* such supply to customers is to seek an expansion of net metering for such distributed generator between 1 MW and 5 MW.

- p.1, §2, lines 7-8; **A2** (p.1, lines 21-22). In and of itself adding a definition of "energy services" would be okay except for how it is used in conjunction with changes made by the next bill section.
- p.1, §3, lines 9-20; **A3** (p.1, lines 31-36). The bill repeals and replaces this section of the law, in effect **prohibiting CPAs from providing any demand side management, conservation, or energy efficiency services directly** and only for utility and ISO-NE programs through a contract. None of these are natural monopoly functions of the distribution utility, nor should they be. Currently the City benefits from a broker (Freedom Energy Logistics or FEL) advising on when the City should curtail its two largest loads (water and wastewater treatment plants) to reduce its share of the annual hour of highest demand in all of New England that is used to determine capacity tags. This kind of demand side management is outside of any utility or ISO-NE administered program, but it is saving the City and its utility ratepayers tens of thousands of dollars per year. If the City put these accounts in LCP, HB 315 would prohibit this practice, even working with FEL. **WHY??**
- p.1, §3, lines 16-17; **A4-A6** (p.1, lines 37-39) would delete from services that CPAs could provide **meter reading, customer service, and other energy related services**, for no apparent reason other than to expand the distribution utility monopoly over such services, even where they don't provide it today. For example, many competitive electricity suppliers provide their own customer service for their energy supply portion of the electric bill. HB 315 would remove the authority for CPAs to do that, even by contract with a supplier or broker. If a CPA offered a RTP product as an opt-in option, does the utility really want to be the only entity that can address customer questions about that, instead of referring them to the customer's supplier: the CPA or the CPA's vendor?

Today there is a competitive market for **meter reading** in at least two areas. **First**, under the Renewable Portfolio Standard (RPS) law and PUC rules, qualified independent monitors can read customer or 3<sup>rd</sup> party owned revenue grade production meters for generating Renewable Energy Credits (RECs) for the purpose of registering those RECs in the NEPOOL Generation Information System so such RECs can be bought, sold, and retired for RPS compliance. HB 315 would prohibit CPAs from providing such a service, even through an established 3<sup>rd</sup> party monitor. **Second**, demand response providers, typically not the utility, can provide customers with a secondary revenue grade interval meter that is read by them and reports 5-minute interval data directly to ISO New England, so those customers can participate in the market for Active Demand Capacity Resources (ADCR) and get paid for performance based on the 5-minute settlement period for Real Time Prices paid to bulk Generators for production on the margin. Brokers, aggregators, and competitive electricity suppliers can provide for both forms of competitive meter reading, and do so for large customers, but HB 315 would turn the law on its head and not allow CPAs to provide for such meter reading services contrary to one of the stated purposes of RSA 53-E that CPAs might "provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs." Why?

HB 315 would also repeal the authority for CPAs to provide or contract for other related services for their customers. Why? How does that help the policy goal of enabling CPAs "to provide such customers access to competitive markets for supplies of electricity and related services." Some of the related services we have thought about as possibilities for LCP include assisting customers with battery storage solutions, time-varying public charging stations for electric vehicles, access to community solar, and power factor correction that can reduce demand charges. Why shouldn't CPAs be able to provide and contract for such services if the community is interested in them and see value in them? This law as it is does not authorize CPAs to take on the franchised utility monopoly function of electricity distribution, as perhaps someone fears. (RSA 38 does that.)

§4, p.1-2, lines 21-3; **A7-A8**, p.2. lines 7-8 & 17-18. These changes to the law seem to be based on a fear that CPAs might someday be able to prove to the PUC that it would be for the public good to end the utility monopoly on consolidated billing, like the Texas legislature concluded. The only implementing rule relating to this is a proposal from the City and some other supporters of community power that: a "CPA may propose to provide CPA consolidated billing and collection services, pursuant to RSA 53-E:3-a, through an adjudicated proceeding." (CPC proposed Puc 2007.23 (b)). In an adjudicated proceeding the burden of proof is upon the proponent of a proposed action to prove that it would be for the public good and adequately protect the interests of the investor-owned utility and other interested parties. That would be a tough burden unless the utility was very unreasonable in its administration of consolidated billing. Presently any interested party could make such a request for an adjudicated proceeding and in its Grid Modernization investigation the PUC did ask whether consolidated billing should be opened up to competition. The utilities strongly argued no and no one argued yes, so the commission dismissed it for the time being. But just keeping such a possibility open might tend to make the monopoly service provider of consolidated billing a bit more responsive to the needs of the competitive market and deliver the kind of billing options that they apparently agreed to develop over 20 years ago as part of the Electronic Data Interchange that suppliers use, but still have not enabled (such as a lump sum charges or credits from a supplier or 3-part time-of-use rates that would enable appropriate price signals about the temporal cost of electricity as a form of time-varying rates).

§5, p.2, lines 4-8; **A9-A10** (p.2, lines 29-33). The 1<sup>st</sup> sentence struck from RSA 53-E:4, I is original back to 1996, but probably doesn't really matter. However, striking the second sentence, to not allow CPAs to function as "Load Serving Entities" (LSEs) seems ridiculous. Retail customers, including municipalities, can and do become their own LSEs now by becoming NEPOOL members and ISO New England market participants. The Town of Hanover is an LSE for its own load, savings thousands by buying at wholesale RTPs. In Lebanon we have thought that being an LSE might be the best way to provide opt-in access to day-ahead and real-time hourly pricing that offers substantial money saving opportunities for customers able to manage the price volatility of RTP. Why should this option, readily available to large customers, be ruled out, even if most CPAs might not be interested in such an approach and would rather use a competitive electricity supplier as their LSE, or do so for their fixed price opt-out option, as I expect LCP will do? **This is just anti-customer choice and anti-local control.** 

§5, p.2, lines 18; **A11** (p.2, lines 43-44, p.3, lines 1-5). HB 315 would block the ability of CPAs to try and negotiate with utilities to come to a mutual agreement to provide their customers with access to interval metering, by covering the incremental cost of such metering. Interval metering, also known as advanced metering functionality (AMF), is widely recognized as key to unlocking many cost saving opportunities and innovative rate options for retail customers. The NH Electric Cooperative and Unitil have already implemented AMF. Liberty Utilities is planning to do so. However, notwithstanding the fact that NH law at RSA 374-F:3, II has, now for 25 years, called for customer choice of options such as real time pricing, Eversource still seems determined to pull out all the stops to block small customer access to the metering necessary to enable such choices and deliver appropriate price signals that reflect the temporal value of electricity.

The commission's 5-year investigation into Grid Modernization (IR 15-296) concluded by calling for customers that don't have access to interval metering to be able to opt-in to AMF, at their own cost. PUC staff suggested that since utilities (Eversource and Liberty being the relevant ones here) spend hundreds of thousands every year on legacy (soon to be obsolete) meters, that maybe customers (or their suppliers) that want to upgrade their meters could contribute the incremental cost of such meters over what the utility would be spending in any case for new legacy meters. Rule language suggested by myself and other advocates for CPAs would only implement these options by mutual agreement with the utilities and a finding by the commission in an adjudicated proceeding that such agreement is for the public good and the terms and conditions are reasonable. As a last resort, if the utility and CPA can't come to terms then a CPC proposed rule would allow a CPA to submit a proposal for accessing interval metering data to the commission for adjudication. The burden of proof would be on the CPA to prove that implementing its proposal is for the public good, a standard that is very well developed and accepted in PUC case law.

§5, p.2, lines 18; **A12** (p.3, lines 6-8). HB 315 would repeal the language that allows for CPA use of the Electronic Data Interchange (EDI) in a manner comparable to how competitive electricity suppliers (CES) are allowed to use it and to handle transfer of customers back onto utility provided default service, should the CPA cease operations (which could happen if the CES

serving them abruptly ceases operations due to a default with ISO New England). This seems to be another attempt to pigeon-hole CPAs into a singular simplistic model of market competition that is to require CPAs to procure power in the same manner as utilities are required to do with their default service supply, which is to periodically put the entire load out to bid and lock into a fixed price contract for a limited duration and then keep repeating the process. In Massachusetts this can be called the CCA (Community Choice Aggregation) 1.0 model. It is certainly an option that many CPAs may choose, but not the only approach, and use of the EDI is needed to support other approaches, if not the broker model, which could also benefit from CPA EDI access.

One such alternative approach to harnessing the power of competitive markets is portfolio management, which this and other changes to RSA 53-E would have the effect of frustrating or precluding all together. This different approach, sometimes referred to as CCA 2.0, would be to allow CPAs to carefully, with sophisticated risk management provided by expert vendors that are competitively procured, build a long term portfolio of generation supply that could support the development of local and regional renewables, storage capacity, and price responsive demand resources (generically called distributed energy resources or DERs) through long-term PPAs (purchase power agreements) either to or through the CPA (e.g. direct producer to consumer retail sale facilitated and accounted for by the CPA), while the CPA also participates in day-ahead and real time markets for the balance of load following service. Thousands of democratically and locally controlled municipal and cooperatively owned electric utilities (that are both load serving entities and distribution grid owners and operators) successfully use this approach for serving their customers, often beating the rates from short-term procurements used in utility default service and CCA 1.0. What is the problem with enabling CPAs to consider such an option? If a CPA screws up, then customers are free to revert to utility provided default service or other competitive supply, taxpayers are held harmless by the provision of RSA 53-E:5, and the local officials responsible are accountable to local voters.

§5, p.2, line 18; A13 (p.3, lines 11-13). HB 315 would strike the provision allowing approved CPAs (by the jurisdiction's legislative body) to use individual customer data to comply with the statute and for R&D to develop potential new energy services for their customers. Utilities have this authority today, why shouldn't CPAs if the customer is their customer too?. Should regulated investor-owned monopoly utilities also have a monopoly on innovation? They don't have a good track record there. This repeal is a poison pill that contributes to HB 315 having the effect of making an opt-out option impossible as I will explain in discussing comment A18 and Eversource's 2/1 draft amendment.

§6, p.2, lines 21-27; **A14** (p.3, lines 19-21). HB 315 would strike reference to allowing local jurisdictions to incur incidental costs, paid for from general taxpayer funds, to comply with the statute prior to producing revenue from implementation of an aggregation plan. After that point a CPA has to be self-supporting. The allowance for incidental costs has been in the statute since 1996. SB 286 did clarify what could be considered incidental costs – those to comply with the statute before start-up. This seems to be an extreme case of state nannyism toward local jurisdictions diminishing local control and accountability. It also would make the development of CPAs very difficult. This repeal would indicate that no cost, no matter how small, could be

incurred by a town, city, or county, to comply with the statute. Here are several examples of such incidental costs:

- 1. The development and implementation of an aggregation plan requires a number of public meetings and hearings. Incurring incidental general fund expenses to advertise such public hearings would be prohibited.
- 2. A proposed aggregation plan has to be presented to the legislative body for review and approval. For most towns this is a town meeting. Printing copies of the proposed plan to give to voters would not be allowed as an incidental expense.
- 3. Once a plan is approved, whether opt-in or opt-out, RSA 53-E:7, II requires that written notification of the plan be mailed to all electric customers within the jurisdiction. HB 315 would prohibit the use of general fund dollars to pay for such a required mailing.
- 4. To enter into a contract for a broker to implement an aggregation plan, and perhaps pay for the required mailing, most jurisdictions would want to have a legal review of the proposed contract. HB 315 would prohibit such a cost paid for from the usual general fund legal services account.
- 5. HB 315 and Eversource's draft 2/1 amendment would likely trigger adjudicated proceedings at the PUC to review many, if not all, electric aggregation plans. Taxpayer funds could not be used cover the costs of required paper filings at the PUC (post-pandemic) or travel costs of volunteers to represent the City at the PUC, much less any legal representation. In contrast, the monopoly utility, which has a fiduciary duty to put their investors' interests first, would be using ratepayer funds to represent its interest in such proceedings.
- §7, p.2, lines 26-37; **A15** (p.3, lines 42-43). HB 315 would delete the requirement that Electric Aggregation Plans (EAPs) detail how net metered exports to the grid would be compensated by the CPA and accounted for (all regarding only the energy supply portion of the bill). Why this would be deleted I can't imagine, except maybe someone thinks that net metering should be a monopoly utility function only, as it seems to be in Massachusetts, or if an EAP doesn't take this into account, they may screw up and create unintended problems for net metered customers and undermine support for CPAs. RSA 362-A:9, II states that CPAs are responsible for determining how they would compensate or account for net metered exports to the grid with regard to the electricity supply portion of the bill, and this bill would not change that. **Why shouldn't a plan consider this?**
- §7, p.3, lines 1-2; **A16** (p.3, lines 44-45). HB would delete the requirement that EAPs detail how low-income participants in the Electric Assistance Program would receive their discounts. This provision was added at the request of the PUC to provide consumer protection, as the discount is currently only available through utility provided consolidated billing and plans should take that into account. **Why shouldn't a plan address this?**
- §8, p.3, lines 9-11; **A17** (p.4, lines 11-13). This new proposed language would require a PUC review and approval of EAPs, not just for compliance with the statute, but also whether it "imposes undue risk on non-participants." This would likely trigger an adjudicated case at the PUC, adding to their workload, and potentially taking a year or more to resolve (as is typical of

many adjudicated cases, with pre-filed testimony, discovery, hearings, etc.) The purpose of such a requirement becomes more apparent with Eversource's 2/1 draft amendment, which is to require CPAs with any amount of material load (not insignificant or inconsequential) which could be the load for all counties, cities, all but the smallest towns, to only launch in conformity with the default service schedule of the distribution utilities or utilities serving the jurisdiction. Specifically, in the informal rules discussion with the PUC and other stakeholders Eversource proposed that a CPA would have to commit to launching (and secure a binding rate) in advance of the utilities issuance of its RFP for upcoming default service. Thus, they want a CPA to lock into and commit to launching in a very narrow window in which they would not know the rate their program is competing with. This is a set-up for failure and backlash that no elected official in their right mind would want to risk. No other state with municipal aggregation has such a requirement.

The wholesale electricity market in New England is very liquid and very dynamic. The best deals for customers aren't likely to occur on the utility's fixed default service schedule. Just having a longer lead time between securing initial supply and actual launch will add more hedging costs to the CPA service than utility provided default service which would be solicited at a date closer to when the load is to be served. This whole approach being advocated for by Eversource is directly contrary to the stated purpose of RSA 53-E to "provide small customers with similar opportunities to those available to larger customers" that can depart default service any time they want. It is also contrary to the restructuring principle at RSA 374-F:3, XIV that the commission should "enable competitors to adapt to changes in the market in a timely manner" and "reduce reliance on administrative process." We have proposed, instead, to mitigate any risk to load uncertainty in default service procurement, by having CPAs give regular notice on various milestones to the PUC and utility so the likelihood and timing of any CPA launches can be anticipated well in advance with increasing certainty. Launching early in a default service fixed rate period would require more advance notice than late in the fixed period.

There is some merit to having the PUC review EAPs, before or after action by a jurisdiction's legislative body to approve such, for compliance with the requirements of RSA 53-E and applicable PUC rules without triggering an adjudicated proceeding. To that end I have attached a suggested amendment to provide for such as <u>Attachment D</u>. It is modeled on language in RSA 53-A that requires Joint Powers Agreements between subdivisions or agencies of state to be reviewed and approved by the Attorney General before going into effect, with a 30-day time limit for disapproval.

§8, p.3 line 14; **A18** (p.4, lines 17-22). This extreme overreach in SB 35 as introduced would make CPA compliance with the law impossible. While requiring the municipality or county to mail notification to all electric utility customers within the jurisdiction, it would also require them to do so based only upon "addresses in the public records of the municipality or county for such customers." Municipalities and counties do not know who all the electric customers are, much less have all their addresses, especially for tenants (both residential and commercial).

<u>In its 2/1 draft amendment Eversource did acknowledge this catch-22, but created a</u> <u>new one in its place that has the same effect.</u> That amendment concedes that the utility should supply the CPA with the names and addresses of their customers to enable the required mailing.

But it conspicuously leaves out provision of the account numbers of default service customers, which is required for the CPA or their vendor/supplier to enroll customers that don't opt-out within the provided time period before enrollment in the CPA program begins. All the utilities have made the point that the CPA must have the account numbers to enroll any customer through the EDI. Eversource Attorney Matthew Fossum, who is an apparent author of this 2/1 draft amendment, argued last summer with CPA proponents and PUC Attorney David Wiesner that RSA 363:38 precluded them from providing a CPA with account numbers and suggested that we would need to affirmatively collect each customer's account number from them in order to enroll them into a CPA program, effectively turning an opt-out program into an opt-in only program. He did concede that RSA 53-E:4, VI that states that CPAs may use individual customer data to comply with the relevant statutory provisions, combined with the PUC's rule making authority in RSA 53-E:7, VI, should enable the PUC to adopt rules requiring the utility to provide account numbers and other account information to approved CPAs and that if the PUC did so they would comply with such adopted rules. Now, however, HB 315 would repeal precisely that authority, putting Eversource back into a position to contend that they are prohibited from providing CPAs with any customer account numbers or other customer information.

§8, p.3, line 35-line 4, p. 4; **A20 & A21** (p.4 line 46 to p.5 line 14). The City is amenable to this amendment to change how new customers to the utility, after the initial opt-out customer list is provided to a CPA. is handled. It avoids the utility having to modify their software and business processes and is still workable for CPAs. I've merged some of this text with similar text from SB 91, Part VI, to suggest a more refined amendment to resolve this issue, which is *Attachment E*. I offered a similar amendment at the hearing on SB 91.

§8, p.4, lines 11-14; **A22** (p. 5, lines 20-21). This new language would require any amendment or modification to an aggregation plan or program to be approved by the commission. This is more state nannyism and regulation of local government that could result in more unnecessary adjudicated case workload for the PUC, while working against the purposes of the chapter and RSA 374-F. <u>Attachment D</u> includes suggested language that incorporates PUC review of amendments to plans that would create an opt-out program.

§9, p.4, lines 22-27; **A23** (p. 5, lines 35-39). This newly proposed language to require a purchase of receivables (POR) program is a welcome development. POR can be thought of as a risk pool, like insurance, where the costs of bad debt are spread over all receivables of the utility and suppliers using utility provided consolidated billing. Apparently, a number of suppliers have indicated that they are not likely to enter the NH CPA market without some form of POR or equitable treatment of bad debt compared with utility provided default service. A level playing field is needed. SB 91, Part III offers another approach to this problem. If there is to be legislation to require POR that applies to all competitive electricity suppliers using consolidated billing then the "Towns, Cities, Village Districts, and Unincorporated Places" Title 3 of RSAs is probably not the place to put it. This new provision would be more appropriate in the Public Utilities Title 34 of the RSAs (such as in RSA 374-F).

Finally, I would note that the 2/1 draft amendment from Eversource would require that the PUC conduct yet another protracted investigation into advanced metering. By my count this would

be at least the  $5^{th}$  such investigation or proceeding by the PUC on this issue. I could write another 11 pages on just this topic, but please spare me and all of us and just let us try to work this out directly with the utilities and the PUC in ongoing proceedings and rulemaking – it was a topic just today at the PUC tech session in their docket to develop time of use rates for EV charging that will finally start to send "appropriate price signals" to retail customers as RSA 374-F:1 has called for as an element of competitive markets for electricity supply for the last quarter of a century.

I conclude by calling your attention to <u>Attachment F:</u> the Civil Society Declaration on Energy Choice & Competition that reflects important ideas first embodied in Article 83 of Part 2 of our state Constitution and reiterated with regard to electricity choice and competition in NH RSA 374-F. This is what RSA 53-E as it stands today will support, but not with most of the changes that HB 315 would make.

I thank you for your attention to this complex and challenging matter and I appreciate your volunteer service as a legislator, however you vote on this bill. Please do not hesitate to be touch if you have any questions or ideas to share.

Yours truly,

Clifton Below

Assistant Mayor, Lebanon City Council Clifton.Below@LebanonNH.gov

liften Below

cc: PUC, OCA, utilities, NHMA, & others

# SCHEDULE OF ATTACHMENTS TO TESTIMONY

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780 N. Commercial Street P. O. Box 330 Manchester, NH 03105-0330

#### Donna M. Gamache

**Director-Governmental Affairs** 

603-634-2881 donna.gamache@eversource.com

February 16, 2021

The Hon. Michael Vose, Chair Members of the House Science, Technology & Energy Committee

Re: Support for HB 315, relative to the aggregation of electric customers

Dear Committee members:

Eversource testified in support of HB 315 on Friday, February 12, at which time I promised to provide further detail about issues in current law that HB 315 attempts to address. Thank you for kindly listening to my testimony and for your attention to further detail provided in this letter.

As I mentioned in my testimony, Eversource has a good working relationship with the key energy aggregators in New England, having successfully paved the way for more than 1,000,000 Massachusetts customers enjoying community aggregation. Those relationships and that critical experience has provided us with the ability to understand how to move these opportunities more quickly to our customers. We wish we had had the opportunity to provide those insights as the amendments to the bill that created existing law was passed.

The ongoing informal rulemaking has highlighted some deficiencies and problems associated Community Power planning under current law. For Eversource, the key issues are:

- We need to understand the expressed need and the cost associated with communities' ownership and management of metering and billing even for the distribution portion of the bill. As it stands right now, communities have certain rights and permissions, and because those rights and permissions are in the law now, we need to understand and account for their potential impacts even if no communities presently intend to implement any changes.
- Scope of and costs associated with the creation of a platform allowing a community to have a vision of the utility's distribution network, including the serious concern for security of the network and customer information. This is an issue currently being addressed at the PUC as part of the data platform docket required by the Legislature in SB 284 from 2019 and it is not clear whether this aggregation law may be used to circumvent or hamper that review.
- The provision of energy efficiency programs at the local level, instead of at the state level, raises some concerns about how those programs will be managed, whether or how to separate out funds raised through the System Benefits Charge to direct them to individual communities, who will oversee the funding and the programming, and whether they meet the same standards as the utilities' programs.
- The continually changing scope of the proponents during the informal rulemaking at the Public Utilities Commission has us very concerned at the potential cost to customers who are not participating in community power. As one example, to the extent the existence of certain aggregations may force the deployment of new meters

- and the communications infrastructure to support them, we see the potential for hundreds of millions of dollars of added costs
- And last, but not least, Eversource is very interested in working with the proponents to
  ensure that the towns can solicit energy aggregation proposals at a time that works
  best for them while not exposing non-participating customers from paying higher
  electric costs due to added risk.

As mentioned in my testimony, Eversource believes that many concerns expressed by the proponents have been addressed in the soon-to-be-released amendment. However, we remain open to making further changes that address our concerns as well as those of the program proponents. We believe the changes needed to meet these goals is before us, and it is our hope that your committee can bridge the differences so that the programs can move forward more swiftly at the Commission.

Thank you very much for your assistance with this very important matter.

Very Truly Yours,

Donna Gamache

**President**Wendy Piper
Grafton County Commissioner

Vice President
Tom Tombarello
Rockingham County Commissioner

At Large Member
Toni Pappas
Hillsborough County Commissioner

At Large Member
Cathy Stacey
Rockingham County Register of Deeds

February 10, 2021

The Honorable Michael Vose Chair, House Committee on Science, Technology and Energy Legislative Office Building Concord NH 03301

Dear Representative Vose and Honorable Members of the ST&E Committee:

The New Hampshire Association of Counties House would like to express its opposition to HB 315 relative to electric customers' aggregation (HB 315).

In 2019, Governor Sununu demonstrated his leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. This "Community Power Law" democratizes energy by enabling cities, towns, and counties to procure and provide electricity and related services on behalf of their residents and businesses.

Over the past year several counties, have begun to leverage this benefit for their communities. House Bill 315, as introduced, would render RSA 53-E ineffective and undercut businesses' innovative potential to offer customers new products and services through Community Power. This bill would strengthen monopoly control over competitive markets, burden communities with burdensome regulations, and sabotage municipalities' potential to make their own energy supply decisions through Community Power. HB 315 entirely undermines the intent of Governor 'Sununu's innovative update to RSA 53-E, which was supported by a bipartisan legislature.

Community Power represents the "New Hampshire Way" forward on energy issues, one that chooses markets over mandates, local control over monopoly control, and innovation over-regulation. Please do not allow this attack on Community Power to take away our local authorities.

Please, vote "No" on HB 315.

Sincerely,

President

Wendy Piper

**New Hampshire Association of Counties** 



29 School St., Ste. 200 Concord, NH 03301

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www.nhcounties.org

Immediate Past President

Chuck Weed Cheshire County Commissioner

**Treasurer**Suzanne Collins
Coos County Treasurer

Bylaws Chair
Chris Coates
Cheshire County Administrator

#### STATE OF NEW HAMPSHIRE

CHAIRWOMAN Dianne Martin

COMMISSIONER Kathryn M. Bailey

EXECUTIVE DIRECTOR Debra A. Howland



**PUBLIC UTILITIES COMMISSION** 

21 S. Fruit St., Suite 10 Concord, N.H. 03301-2429 February 11, 2021

Representative Michael Vose, Chairman Science, Technology and Energy Committee Legislative Office Building, Room 302 107 North Main Street Concord, NH 03301

Dear Rep. Vose and Members of the Committee:

Thank you for the opportunity to provide testimony on House Bill 315, relative to the aggregation of electric customers. The Commission takes no position on the proposed bill, but we offer the following comments:

 The Commission Staff conducted a number of work sessions with interested stakeholders during 2020 to develop draft rules. The following proposed language for 53-E:7, V would resolve a technical problem related to new customer enrollment encountered during those work sessions:

A new customer to the electric distribution utility after the notification mailing required by paragraph III shall initially be enrolled in utility provided default service unless the customer has relocated within a single utility's service area and is continuing service with a competitive electricity supplier. On a recurring basis, but not more frequently than monthly, an aggregation may request, and the utility will provide, a list of customers within the aggregation's territory who are not enrolled with a competitive electricity supplier for the aggregation to use in identifying any new customers. New customers identified from such list shall be enrolled by the aggregation in the aggregation program, unless the customer opts-out of the aggregation.

 Section 9 of HB 315, 53-E:9, addresses billing arrangements. As proposed, this bill language has the potential to increase utility bad debt and thereby to shift the cost of uncollectible debts to all other customers.

Thank you again for your time.

Sincerely,

Amanda O. Noonan Director, Consumer Services and External Affairs TDD Access: Relay NH 1-800-735-2964

Tel. (603) 271-2431

Website: www.puc.nh.gov

#### STATE OF NEW HAMPSHIRE

CHAIRWOMAN Dianne Martin

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# CONSUMER ADVOCATE Donald M. Kreis

ASSISTANT CONSUMER ADVOCATE Pradip K. Chattopadhyay

#### STATE OF NEW HAMPSHIRE

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February 12, 2021

# TESTIMONY OF CONSUMER ADVOCATE DONALD M. KREIS BEFORE THE HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY, AND ENERGY IN OPPOSITION TO HOUSE BILL 315, RELATIVE TO THE AGGREGATION OF ELECTRIC CUSTOMERS

#### Chairman Vose and Honorable Members of the Committee:

The Office of the Consumer Advocate, which (as you know) represents the interests of residential utility customers pursuant to RSA 363:28, respectfully requests that you report HB 315 to the floor of the House with an "inexpedient to legislate" (ITL) recommendation.

New Hampshire's residential customers have paid dearly -- hundreds of millions in stranded cost recovery charges -- for the electric industry restructuring that required our formerly vertically integrated utilities to divest their generation assets. The *quid pro quo*, of course, was the opportunity to purchase electricity from unregulated competitive suppliers.

To the best of my knowledge, commercial and industrial customers – particularly the larger ones – have been able to take advantage of this opportunity and save money by using competitive suppliers. But residential customers have been left in the dust, or worse. An analysis commissioned by the ratepayer advocate in Massachusetts determined that from 2015 through 2018, residential customers migrating to competitive suppliers in that state paid \$258 million more than they would have paid by simply purchasing default service from their legacy utility. Of particular note: The report found that low-income customers are more likely to migrate than the general population and paid *especially* high prices.

Although the Office of the Consumer Advocate lacks the resources to commission a similar study for New Hampshire, many of the same competitive suppliers operating in Massachusetts are also present here and there is no reason to suppose the results would be any different in the Granite State. The reasons for the results observed in Massachusetts are intuitively obvious. An individual residential customer does not use enough electricity to be attractive to competitive suppliers – except, perhaps, to the bad actors whose business strategy focuses on exploiting vulnerable populations.

<sup>&</sup>lt;sup>1</sup> The analysis, conducted by consultant Susan Baldwin, is available at <a href="https://www.mass.gov/doc/2019-ago-competitive-electric-supply-report/download">https://www.mass.gov/doc/2019-ago-competitive-electric-supply-report/download</a>.

What should be done to address this problem? At the New Hampshire Energy Summit held in September 2018, when the results of the first two years of the Massachusetts study were under discussion, the lead counsel for Eversource Energy spontaneously blurted out that we should simply eliminate retail choice for our state's residential customers (a suggestion his employer promptly walked back). That would, in effect, return residential customers to the bad old days when their local utility had a lock on a total electric service monopoly.

There is a better idea: Community Power Aggregation (CPA). Under CPA, each New Hampshire municipality is statutorily authorized to become the wholesale electric buying agent for the energy customers within its border.

You should keep in mind that Community Power Aggregation has *always* been part of New Hampshire's plan for electric industry restructuring. The General Court added CPA authority to RSA 53-E via Chapter 129 of the 1996 New Hampshire Laws, the same enacted bill that gave us the Restructuring Act (RSA 374-F).

Nevertheless, CPA did not become a 'thing' because, as authorized in 1996, it was an "opt-in" program. In other words, a municipality seeking to aggregate its electric load was required to obtain the affirmative permission of every participating customer – a completely unworkable proposition. That changed two years ago, when the General Court passed and Governor Sununu signed into law Chapter 316 of the 2019 New Hampshire Laws, which authorized opt-*out* municipal aggregation.

Now, as has been widely reported, several New Hampshire cities and towns are actively developing CPA initiatives. The most ambitious of them would use aggregation as the basis for a comprehensive municipal energy program which would include the provision of a suite of initiatives and services intended to "green" the municipality and save customers money. There is even an effort to establish a joint action agency – a multi-municipal initiative that could actually vault past our two smaller electric utilities in terms of load and, thus, buying power. I am referring to the Community Power Coalition of New Hampshire (CPCNH), whose lead participants are the Town of Hanover and the City of Lebanon. According to the CPCNH web site, its purpose is "to enable New Hampshire communities to take control of their energy future."

#### Via HB 315, the empire strikes back.

In other words, investor-owned electric utilities are seeking to impose restrictions and constraints that would make Community Power Aggregation an impossibility. To the extent they would suffer municipal aggregation at all, the utilities would limit cities and towns to contracting the whole venture out to third-party aggregators, as has been common in Massachusetts. I recently heard one such aggregator deride the more robust approach I describe above as the "California model" (because it has succeeded there).

What the "California model" threatens to prove is that the natural monopoly in electricity – the slice of the business that should continue to be the province of fully regulated utilities – is poles and wires, nothing more. Among other things, CPA paves the way for utilities to yield their absolute control over meters. That's a scary prospect for utilities, because high-tech meters beyond their control (but

still "utility grade") open up possibilities (e.g., for innovative time-varying rates) that threaten their business model.

Frankly, I don't blame the utilities for seeking to thwart Community Power Aggregation. If I were them and their shareholders, I too would want to keep as many residential customers as possible on their "default" energy service. Though the utilities don't make a profit on default service (which they procure at wholesale via periodic competitive solicitations), they benefit by retaining the entire residential class on a plenary basis. I'm sure that's the reason Eversource's attorney blurted out his proposal in 2018 to end retail competition for residential customers, an improvident disclosure of what is usually said only behind closed doors at corporate headquarters.

Earlier this week, eight community choice aggregators in northern and central California announced the formation of California Community Power. It is similar in structure and purposes to CPCNH. According to the trade publication *RTO Insider*, California Community Power represents 2.6 million customer accounts – load equivalent to about 40 percent of the service provided by California's largest utility, Pacific Gas and Electric.

Whether it's California or New Hampshire, migration of that magnitude would transform the electric industry, particularly if it occurs in the context of municipalities jointly pursuing a coordinated set of energy policies, procurement strategies, and innovations in customer service. Imagine if Eversource were no longer the dominant voice in our state on matters of electricity. Imagine if local municipal actors, accountable to voters rather than distant and return-maximizing shareholders, were not artificially limited to farming out their load to profit-seeking aggregators but could, instead, pursue a full menu of coordinated energy initiatives.

I would like to close with a request. Before you vote on HB 315, please read the 2018 decision of the New Hampshire Supreme Court in a case captioned *Appeal of Algonquin Gas Transmission*, *LLC*.<sup>2</sup>

In the *Algonquin* case, the Court had its first (and, so far, only) opportunity to discuss the reasons your predecessors decided in 1996 to restructure New Hampshire's electric utilities. Unfortunately, and with all due respect to the state's highest court, they got it wrong.

What the majority decided in *Algonquin* was that the purpose of the Restructuring Act was to make electricity cheaper for customers. But former Chief Justice Lynn (who wrote the opinion) missed the point. Keeping electricity as inexpensive as possible (without compromising safety and reliability) has *always* been the reason for *any* state oversight of the industry. What changed thanks to the Restructuring Act is who bears the risk that investment and other business decisions related to electricity would go bad.

<sup>&</sup>lt;sup>2</sup> For your convenience, I am transmitting a copy of the decision with this testimony. The majority and dissenting opinions were reported at 170 N.H. 763 (2018).

#### Page 4

Pre-restructuring, the risk fell almost entirely on customers. After restructuring, the risk was transferred to where it belongs – investors. Justice Hicks, in his dissenting opinion, clearly understood what the Legislature was really up to via the Restructuring Act.<sup>3</sup>

If you agree with Justice Hicks – and I think you should – then you ought not let utilities or anyone else convince you to hobble Community Power Aggregation. You should, instead, do all you can to help CPA initiatives thrive and give the utilities' default energy service the competition it deserves.

On the other hand, if you think Chief Justice Lynn was right, then you should do everything you can to keep default service as cheap as possible. Community Power Aggregation threatens that objective – indeed, it is calculated to make default service wither on the vine. I think it would be really great for residential customers if default service truly became a seldom-used backstop, and Community Power Aggregation offers the first real opportunity to make that happen for residential customers. It's been a long time coming.

I therefore earnestly hope you will ITL House Bill 315. Thank you for considering my views.

<sup>&</sup>lt;sup>3</sup> Refer, in particular, to that part of Justice Hicks' dissent that begins with the last paragraph on page 13 and continues through the following page.

House Science, Technology, and Energy Committee RE: HB 315 public hearing contribution

I am a member of the Harrisville Select Board and Electric Aggregation Committee. Thank you for this opportunity to explain why we oppose HB 315, and ask you to vote No.

After Governor Sununu signed the community power legislation, RSA 53-E in Fall 2019, we set up an electric aggregation committee the following Spring, 2020. Our mission at the time was to research whether Community Power would have any bearing on a Town our size, and if it did, whether it would be feasible and in the interest of our Town to adopt it.

And that's because we are small town. We have roughly 915 Ratepayers. We consume roughly 4175 MWh of electricity supply. And certainly we do not have municipal budget and staffing to run a community power plan ourselves. We understood early on, that community power is about electricity supply, not distribution. Eversource continues its job to deliver electricity to customers, and continues to own and operation the local distribution system (poles, wires, transformers and such).

So we scoped this carefully. The more we learned about it, the better we understood it. Between Spring 2020 and last month, our citizen volunteer hours spent on this effort, total the equivalent of over 2.5 months — 2.5 months of time invested to research and evaluate community power — and engage our community in a dialogue about this.

We shared with fellow residents what we were learning. Surveyed to what extent others thought a community power initiative is a good idea. And began to more fully appreciate how it aligns with our Town's Master Plan. Specifically, community power goals that map to

- Competitive Rates to meet or beat those offered by Eversource at launch, plus choices regarding
  the supply of renewable energy;
- Fiscal Stability & Financial Reserves to ensure the program is able to maintain competitive rates over time and advance the Town's policy goals over the long-term (e.g. development of local energy resources and programs);
- **Consumer Protections** to ensure contracts entered into are fair, and to represent the Town's interests on energy issues at the Legislature and Public Utilities Commission;
- **Community Resiliency** programs to reduce energy consumption, and pursue longer-term projects such as building local back-up power supplies; and
- Cleaner Power to supply an affordable energy portfolio that prioritizes the use of costeffective local renewable energy.

In other words community power in our Town is not a stand-alone initiative, it is grounded in our Town Master Plan.

We received positive community response and support such that we drafted an electric aggregation plan. We solicited ongoing input, concerns, and feedback in part through community meetings including two noticed public hearings. This process resulted in several iterations of the plan.

Finally, as we are now perfecting a Community Power Plan for our Town Meeting, we assume that the Public Utilities Commission is completing its work on the required rulemaking that will enable us to launch our program if the Town votes to authorize Community Power this year.

We did not anticipate a legislation that effectively abandons the local control and opportunities promised by RSA 53-E (October 2019).

And so we respectfully urge you to support our endeavor to implement community power — not, HB 315.

Andrea Hodson 11 February 2021 House Science, Technology, and Energy Committee RE: HB 315 public hearing contribution

I am a member of the Harrisville Select Board and Electric Aggregation Committee. Thank you for this opportunity to explain why we oppose HB 315, and ask you to vote No.

After Governor Sununu signed the community power legislation, RSA 53-E in Fall 2019, we set up an electric aggregation committee the following Spring, 2020. Our mission at the time was to research whether Community Power would have any bearing on a Town our size, and if it did, whether it would be feasible and in the interest of our Town to adopt it.

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So we scoped this carefully. The more we learned about it, the better we understood it. Between Spring 2020 and last month, our citizen volunteer time one this totaled about 420 hours, or put another way 2.5 months. Time invested to research and evaluate community power, create a website, surveys, and outreach to engage our community in a dialogue about this.

We shared with fellow residents what we were learning. Surveyed to what extent others thought a community power initiative is a good idea. And began to more fully appreciate how it aligns with our Town's Master Plan. Specifically, community power goals that map to

- **Competitive Rates** to meet or beat those offered by Eversource at launch, plus choices regarding the supply of renewable energy;
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  interests on energy issues at the Legislature and Public Utilities Commission;
- Community Resiliency programs to reduce energy consumption, and pursue longer-term projects such as building local back-up power supplies; and
- Cleaner Power to supply an affordable energy portfolio that prioritizes the use of costeffective local renewable energy.

In other words community power in our Town is not a stand-alone initiative, it is grounded in our Town Master Plan.

A positive community response supported our progression to draft an electric aggregation plan. The ongoing input and feedback we received in part through community meetings including two noticed public hearings resulted in several iterations of the plan.

So now we are perfecting a Community Power Plan for Town Meeting. We assume that the Public Utilities Commission is completing its work on the required rulemaking that would enable us to launch our program if the Town votes to authorize Community Power.

We did not anticipate a new legislation that effectively reverses and abandons the local control and opportunities promised by RSA 53-E (October 2019).

And so we respectfully urge you to support our endeavor to implement community power — not, HB 315.

This sentiment is shared by 710 other New Hampshire citizens across the State who signed the Community Power Coalition of New Hampshire petition in opposition of this legislation, which has already been submitted to this Committee

Again, thank you for hearing our voice, Andrea Hodson, 12 February 2021



## TOWN OF RYE • OFFICE OF SELECTMEN 10 Central Road Rye, NH 03870-2522 (603) 964-5523 • Fax (603) 964-1516

February 5, 2021

NH House Science, Technology & Energy Committee 107 N Main Street Concord NH 03301

Re: House Bill 315

To the Honorable Members of the NH House Science, Technology & Energy Committee,

We respectfully request that you vote "No" on House Bill 315, relative to aggregation of electric customers (HB 315).

In 2019, Governor Sununu demonstrated leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. This "Community Power Law" was supported by a bipartisan legislature. It enables municipalities to procure electric power supply on behalf of their residents and businesses. It would allow Rye to get lower prices and/or cleaner energy for all of our residents and businesses and allow us to create our own energy efficiency programs that will benefit us all. The local control RSA 53-A provides will promote competition and encourage innovation. HB 315 would severely undermine all of this.

Over the past year, the Rye Energy Committee has had many conversations and accessed a network of other local Energy Committees to learn more about the potential benefits of Community Power. Several NH communities are close to launching initial programs. Rye is hoping to spend the next 12 months researching and developing a plan that will benefit everyone in our community. House Bill 315 threatens to gut the benefits of Community Power even before we have had the chance to bring it to our voters.

Community Power aims to harness competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to Rye and other municipalities.

Please, vote "No" on HB 315.

Town Website: www.town.rye.nh.us E-mail: Selectmen@town.rye.nh.us

Thank you for taking our position on this matter into consideration.

Sincerely,

Rye Select Board

Philip D. Winslow, Chairman

William Epperson, Selectman

Mae C. Bradshaw, Selectwoman

Howard Kalet, Co-Chairman Rye Energy Committee

Representative Jaci Grote, Rockingham 24



# City of Nashua

## Energy Manager/Buildings 229 Main Street - Nashua, NH 03060

(603) 589-3265

**Date:** 2/11/2021

TO: Hon. Michael Vose

Chair, Science, Technology & Energy Committee

FROM: Doria Brown, Energy Manager, City of Nashua NH

SUBJECT: HB 315, relative to the aggregation of electric customers

Dear Rep. Vose & Members of the NH House Science, Technology & Energy Committee,

As the Energy Manager for the City of Nashua I wanted to explain why I strongly oppose House Bill 315. This bill would cripple the ability of a Community Aggregation (Sometimes referred to as Community Power but they mean the same thing) to form and start a program successfully.

Part of HB 315 ensures that utilities do not have to give out customer level data to Community Aggregations. This includes addresses, account numbers and usage data that are imperative for sending out the required mailer in RSA-53E and going out to bid with third party suppliers. It is important that aggregations have all three of these pieces of data before the mailer is sent out so that we can inform our customers of the pricing we are offering and they can then make an informed decision on if they would like to opt out of this program or not. HB 315 would omit the account numbers, forcing Nashua to manually collect this information from our residents one-by-one, making it logistically impossible for us to launch Nashua Community Power.

In the suggested amendment that has been circulated by Eversource (dated 2-1-2021) Community Aggregations still would not have all the data that is needed to go out to bid before the mailer is sent out because it does not allow Community Aggregations to gain usage data to go out to bid for supply cost pre mailer. If that amendment were to go through we would have a bunch of people opting in/out of a program without any inkling of the price of electricity they are agreeing to.

HB 315 also puts an end to any grid modernization that a Community Aggregation might want to implement for demand side management. There is no question that we are going to get a lot of immigration to New Hampshire as climate change affects a large part of the United Sates. It is important that we anticipate that that change now and upgrade our infrastructure accordingly to accommodate these masses. Demand side management programs will become a must as we do not have much new generation coming online. Not all Communities Aggregations are going to implement smart meters but it is important that we allow for that option to stay in RSA-53E so we do not find ourselves scrambling for infrastructure updates later on. Demand side management, enabled by smart meters, will save costs for ratepayers.

Lastly, HB 315 narrows the view of what Community Aggregation is all about as it limits household solar generators ability to participate in and supply power to Community Aggregations. This particularly hurts Aggregations as many plan to use RSA-53E to increase the amount of solar generation in the community to reach net zero goals. In Nashua we have a 100% renewable energy by 2050 goal and it would be a big loss to us if we could not include our household/small scale solar generation in our portfolio. It makes practical sense to include local homegrown power in our Community Power portfolio. Why would HB 315 take that out? I appreciate you taking time to read my testimony and the time you put into volunteer service as legislators. I hope you will take my points into consideration. Please do not hesitate to contact me if you have any questions.

Best Regards,



**Doria Brown** 

Energy Manager- City of Nashua Email: <u>Brownd@nashuanh.gov</u> Phone: 603-589-3265

I am Rev. Kendra Ford and I serve the First Unitarian Universalist Society of Exeter which has been working on climate issues for all the 19 years I have served the congregation.

As I speak to you today the solar panels on my roof are humming today, creating the electricity that is allowing me to join this conversation. I appreciate the climate science that has been read into the testimony today. And I want to talk about love.

This is a bill about preserving the world we love. And this is a bill about taking care of our children. This is a bill about making hard choices to take care of what is amazing about this state where we live and is also a bill about honoring the lives in the Himalayan mountains where in the last week we saw massive flooding when a glacier broke and washed out dams and washed away people because the planet is warming. We've seen the uneven rain fall here, the increased ticks on our moose, the hotter summers, the ski areas impacted.

I live in Portsmouth and walk by a tidal pond regularly and see where the rising tides will eliminate habitat for animals and housing and businesses in my town. We have to make changes. And it is hard to make the changes. We need the discipline and shared accountability of laws to help us mitigate the damage. I am keenly aware that one of the things that will have to happen for us to meet these standards is that we will have to stop burning coal in Bow and Portsmouth. Creating new clean energy jobs for folks in the fossil fuel industry will improve the immediate health of folks as well as making sure folks have good jobs into the future. And we must cut carbon emissions sharply or we will see harsh consequences in our lifetimes. And we still have time to make a beautiful difference. The tide is turning to take bold action to curb our carbon emissions; I look forward to this bill be passed into law that we might look forward to a thriving future.



14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

Representative Michael Vose, Chair House Science, Technology, & Energy Committee Submitted via email

#### Testimony on HB315: relative to the aggregation of electric customers

Dear Chairman Vose and members of the Committee.

Clean Energy NH (CENH) is a non-profit member-based organization. We are New Hampshire's leading clean energy advocate that is dedicated to supporting policies and programs that strengthen our state's economy by encouraging a transition to renewable energy and promoting energy efficiency.

**CENH strongly opposes HB315**, which would undercut the innovative potential of businesses to offer customers new products and services through Community Power. This bill would severely limit the implementation of Community Power as it was envisioned for NH, also known as municipal aggregation or community choice aggregation, and the potential for municipalities to make their own electricity supply decisions through Community Power. Furthermore, HB315 entirely undermines the intent of the recent updates to RSA 53-E, which had bipartisan support in 2019.

Over the past 1.5 years, CENH has been doing a lot of education with our local community partners on the potential for Community Power and frankly there is a lot of enthusiasm for the possibilities offered by municipal aggregation. Our municipalities and counties want the full menu of options offered by our updated community power policy, even if they may opt to start with a simpler model many of them plan to build and add to their programs in the future. HB315 proposes to severely restrict our community power programs to effectively resemble the simple Massachusetts model. It would be unfortunate to emulate the programs of our neighboring state to the south when our policy currently offers the potential for true innovation to benefit electricity ratepayers, offer customers choice where there has previously only been monopolies, and offer true local control over electricity supply and other services.

HB315 would eliminate Community Power program's ability to contract directly with local electricity generators. This would restrict their ability to make conscientious decisions regarding where their energy supply comes from. Community Power, as it stands today, provides New Hampshire cities and towns with the ability to contract with local renewable energy resources. Utilizing local renewable energy in conjunction with Community Power can reduce the cost of energy for the participating residents and business and provides an avenue to meet important,



14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

local emissions reductions goals while reinvesting our energy spending locally. By allowing municipalities to make energy supply choices through local control, municipalities can lower the cost of energy for their residents and businesses while enabling the broad use of renewable energy resources that can bolster the local economy and provide local jobs, keeping energy dollars within NH's borders.

Lastly, Community Power, left intact and unaffected by HB315, encourages competitive and innovative market opportunities for energy supply and other services. Restricting options and choice regarding energy supply for the sake of simplicity is not cost effective or prudent for ratepayers. Rather, it mandates the use of monopolistic and regulated services, which would hinder the growth of our clean tech economy in New Hampshire. CENH opposes HB315 because we support more opportunities for advanced energy supply models in New Hampshire to encourage cost savings, the creation of local energy jobs, and affordable access to renewable energy resources.

For the reasons described above, CENH asks you to find that HB315 is Inexpedient to Legislate.

Madeleine Mineau

Executive Director Clean Energy NH

madeleine@cleanenergynh.org

Juden Pleas

607-592-6184



To: NH House Science, Technology & Energy Committee

CC:

From: Samuel Golding, President, Community Choice Partners, Inc.

Date: 11 February 2021

RE: HB 315, relative to the aggregation of electric customers

Dear Rep. Vose & Members of the NH House Science, Technology & Energy Committee:

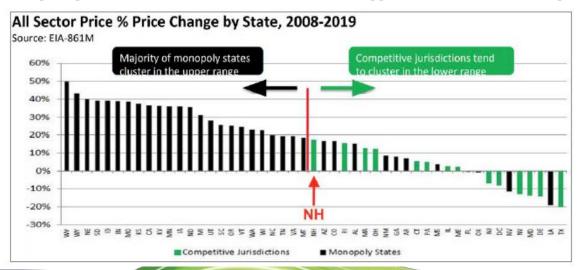
As an expert with over a decade of experience in Community Power markets and an advisor to the Community Power Coalition of New Hampshire joint-action initiative, I write to express and explain my resolute opposition to HB 315.

While purporting to make minor changes to RSA 53-E in support of Community Power, HB 315 is actually a brazen monopoly power grab — that would systematically foreclose the pro-market and pro-democracy reforms set in motion by SB 286 a year and a half ago.

Strong political leadership is needed to strengthen retail markets and countermand monopoly power in New Hampshire's electricity industry. The below resources provide valuable context as to why:

- The article "<u>The Need for Electricity Retail Market Reforms</u>" published in the Cato Institute's *Regulation Magazine* in 2017, explaining why it is high-time to "quarantine" monopoly utilities by ending their control over retail customer services and default supply.
- My 2019 memo to Governor Sununu in support of signing SB 286 into law, explaining how it
  would overcome long-standing, structural barriers to animating New Hampshire's retail market,
  modernizing the electrical grid and unlocking cost-saving innovations in retail customer services.
- My 2020 Local Government Coalition testimony submitted to the NH PUC in DE 19-197 —
  analyzing the poor performance of New Hampshire's retail electricity market and state-regulated
  monopoly services to-date, detailing how fully restructured markets (e.g., Texas) operate in
  practice, and explaining how ending monopoly control over customer data while implementing
  the full Community Power authorities enabled by SB 286 will catalyze innovation for retail
  customers throughout the state.

It is critical to strengthen New Hampshire's retail electricity market — which, at present, ranks dead last in terms of price performance in relation to other states that support more robust retail competition:





The fact is that a quarter century after passing the Electric Utility Restructuring Act (RSA 374-F), New Hampshire's market remains only partially restructured.

As <u>my DE 19-197 testimony</u> made clear, the retail market is both structurally uncompetitive and anemic. Four out of five customers still remain on utility default service, and for the customers that do participate in the competitive market, the top 3 competitive suppliers exercise too much retail market power (which lessons price competition and innovation).

The reason why is simple: the market simply hasn't been designed to succeed. As my memo to Governor Sununu explained, New Hampshire has been caught in a self-reinforcing trap wherein utilities and state regulators have proven unwilling or incapable of developing the infrastructure and nimble processes necessary to support retail market innovation and expansion — which is why SB 286 decentralized control over these decisions.

Instead of relying on state regulatory proceedings to debate which market innovations should or should not be allowed, Community Power relies on competitive market expertise and local governance to make decisions directly, and has all the authorities necessary to provide customers with innovative services and intelligent technologies.

HB 315 would surgically strip away the very authorities necessary for Community Power programs to engage in "permissionless innovation" in practice, namely: advanced metering, consolidated billing, the incorporation of local resources, and flexibility in terms of managing electricity supply portfolios.

These are not monopoly services, and there is no credible reason why regulated utilities should continue to control these functions. As the <u>Cato Institute article</u> makes clear, no state outside of Texas has fully restructured their electricity markets — and the need to do so is urgent, because centralized state regulation and monopoly control cannot possibly keep pace with the level of technological change playing out right now.

Community Power represents the way forward for New Hampshire. By side-stepping outdated regulatory restrictions and legacy utility technologies, it has finally cleared the way for all Granite Staters to benefit from restructuring.

I thank you for your attention to this matter and urge you to support the long-overdue restructuring of New Hampshire's retail electricity mass market — by finding HB 315 Inexpedient to Legislate.

Samuel V. Golding

President, Community Choice Partners, Inc. 415.404.5283 golding@communitychoicepartners.com 12 South Spring Street, Concord, NH 03301

From: Robert Hayden

**Sent:** Monday, February 22, 2021 3:36:07 PM **To:** ~House Science Technology and Energy

Subject: Standard Power - HB315 Work Committee

**Importance:** Normal

Hi Folks,

I figured it was best sent to the full STE Committee.

I would be happy to work on any committee that would help Community Power.

As mentioned, Standard Power and Good Energy have been contracted by The City of Keene to implement Community Power.

We are well into the process of developing this program.

In addition, many of the communities we work with (about 60) are interested in this opportunity.

Please let me know when we can start!

Be well and have a great day!

Bob Hayden President and Chief Technical Officer Standard Power of America

(cell) 603-325-1749 (fax) 855-855-2012 b.hayden@standardpower.com



www.standardpower.com

From: Donna Reardon

**Sent:** Monday, February 22, 2021 11:29:15 AM **To:** ~House Science Technology and Energy

Cc: Donna Reardon

**Subject:** HB 315 OPPOSE **Importance:** Normal

The Honorable Michael Vose, Chair House Committee on Science, Technology and Energy Legislative Office Building Concord NH 03301

February 22, 2021

**RE: HB 315** 

Dear Representative Vose and Honorable Members of the ST&E Committee:

I am submitting written testimony in OPPOSITION to HB315. My reasons for opposing the bill are as follows:

- 1. In 2019, Governor Sununu demonstrated his leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. There was a lot of time, research and public hearings involved in passing the update allowing aggregation of electric customers by municipalities and counties. There are major plans and money involved in the planned projects. HB 315 entirely undermines the intent of Governor 'Sununu's update to RSA 53-E, which was supported by a bipartisan legislature.
- 2. The majority of NH people are opposed to this bill including, but not limited to, 10 of 11 NH Mayors Oppose HB 315, The NH Municipal Association Opposes HB 315, and The NH Association of Counties Opposes HB 315. In the past year many counties have begun to utilize this benefit for their communities. House Bill 315, as introduced, would render RSA 53-E ineffective and undercut businesses' innovative potential to offer customers new products and services through Community Power.
- 3. This bill would strengthen monopoly control over local control and competitive markets, burden communities with overregulation, and sabotage municipalities' potential to make their own energy supply decisions through Community Power.

Please do not pass HB315. Clean energy is Our Future.

Sincerely, Donna Reardon Concord NH

https://www.concordmonitor.com/Renewable-energy-38928174

From: Huck Montgomery

**Sent:** Monday, February 22, 2021 10:50:03 AM **To:** ~House Science Technology and Energy

**Subject:** HB315 **Importance:** Normal

Dear Chairman Vose and members of the committee,

I'd like to take this opportunity to share Liberty's perspective on HB315. Having only had the weekend to review Amendment 0457h, we aren't in a position at this time to offer a definitive position on the amendment, but we do appreciate that the amendment does at first appear to improve upon earlier drafts. In particular, we are pleased to see that the amendment would make "purchase of receivables" optional. That said, we have questions and concerns about how the alternative system of prorating payments would work in practice. We believe this provision needs more work, and look forward to collaborating with the committee and stakeholders to address this.

Liberty had also hoped to see language to synchronize the transition of customers to an aggregation program with the utility billing cycle, but it does not appear that language made it into 0457h. We urge the committee to consider addressing this in a future version.

Finally, we would like to simply state that Liberty supports community power, and wants to make it work for the communities we serve. Liberty does not oppose the provision of non-energy services through community power programs, provided that there is adequate oversight.

We appreciate the committee's diligent work on HB315 thus far, and look forward both to better understanding Amendment 0457h, and to collaborating with the committee and stakeholders to resolve the numerous complex issues implicated in HB315. Ultimately, we hope to work with all of you to create an outcome which will meet the needs of the various stakeholders.

Please don't hesitate to call, text, or email if you have any questions.

Sincerely,

Huck Montgomery | Liberty Utilities (East Region) | Director of Governmental Affairs P: 603-724-2129 | C: 603-391-5898 | E: <a href="mailto:Huck.Montgomery@libertyutilities.com">Huck.Montgomery@libertyutilities.com</a> 116 North Main Street, Concord, NH 03301

From: Bruce Berk

**Sent:** Monday, February 22, 2021 9:44:37 AM **To:** ~House Science Technology and Energy

Subject: NH House Remote Testify: 1:00 pm - HB315 in House Science, Technology and Energy

**Importance:** Normal

Good morning Mr. Chairman and Committee members

My name is Bruce Berk and I am a resident of Pittsfield.

Thank you for taking time to hear my concerns,

I oppose HB 315 for six reasons and encourage this committee to vote to inexpedient to legislate. (ITL) this bill

- -One, overall it feels like there are too many unresolved questions surrounding this bill.
- -Two, If RSA 53-e came under criticism due to ambiguity in some offered amendments, this bill does not solve this perceived problem. Instead, in reading Chairman Voss's and Professor Farid's statement, they offer conflicting definitions of community and aggregate power. If there is an inability to agree on basic terms then how can this committee move forward?
- -Three, my understanding of 315 deletes language referencing the Electrical Assistance Program which provides subsidies to low and moderate income rate payers. If true, this bill does not act in the best interests of the ratepayers
- -Four, if Prof Farid is correct then this bill reduces competition. On page 4 he writes it "prohibits customer service and other related services" He goes on to write, this bill will limit transactional energy services and real time pricing, in other words, 315 discourages innovation and competition.
- -Five, CPAs are up and running (with varying levels of success) in 12 different states. We should seek to replicate these programs
- -Six, and most importantly, the community power option is popular across the state, and this bill limits choice and innovation. I ask the committee to ITL this bill to ultimately accomplish Chairman Voss' goals as stated in his testimony

"Aggregation can be a positive partnership between municipalities, utilities, and energy suppliers. All for the benefit of ratepayers. HB315 will help New Hampshire get on that path and bring value to electric customers throughout the state."

Thank you

From: Michael Vose

Sent: Saturday, February 20, 2021 11:46:56 AM

To: ~House Science Technology and Energy; Jacqueline Cali-Pitts

Cc: Jennifer Foor; Carrie Morris Subject: Amendment to HB315

**Importance:** Normal

**Attachments:** 

HB 315 - 2021-0457h.pdf

As promised, I attach an amendment to HB315. We will discuss this amendment in detail on Monday. The major changes include:

- 1. The amendment uses language provided by the Hon. Clifton Below in section 6, line 6 and in most of section 8.
- 2. It adds a purchase of receivables provision that is optional, not mandatory, as requested by Liberty.
- 3. It adds a restriction on the imposition of exit fees in Section 6, as suggested by Marc Brown of the Consumer Energy Alliance.

Enjoy your weekend!

--Rep. Michael Vose, Chair Science, Technology, & Energy Committee Rockingham District 9 Epping, NH

From: Dr. Amro M. Farid

**Sent:** Friday, February 19, 2021 10:08:28 PM **To:** ~House Science Technology and Energy

**Cc:** licatam@nhec.com; Huck.Montgomery@libertyutilities.com; bourquek@unitil.com; simpsonc@unitil.com; donna.gamache@eversource.com; Amanda.O.Noonan@puc.nh.gov; David.Shulock@puc.nh.gov; David.Wiesner@puc.nh.gov; Donald.M.Kreis@oca.nh.gov; Heather

Tebbetts; Clifton Below

Subject: HB315, relative to the aggregation of electric customers

**Importance:** Normal

**Attachments:** 

Farid HB315 Testimony.pdf

Dear Rep. Vose & Members of the NH House Science, Technology & Energy Committee,

Please find attached my testimony in opposition to HB315.

It's my hope the NH legislature finds an alternative bipartisan path forward.

Sincerely,

Prof. Amro M. Farid

Amro M. Farid
Associate Professor of Engineering
Laboratory for Intelligent Integrated Networks of Engineering Systems (LIINES)
Thayer School of Engineering at Dartmouth
MIT Mechanical Engineering Research Affiliate
Chair of the IEEE Smart Cities R&D Committee



From: Cliff Lazenby - City Council

**Sent:** Friday, February 19, 2021 12:21:16 PM **To:** ~House Science Technology and Energy

Subject: NH House Remote Testify: 1:00 pm - HB315 in House Science, Technology and Energy

**Importance:** Normal

**Attachments:** 

Lazenby Testimony NH HB315 20210219.pdf

#### Hello -

Attached please find the written version of the testimony regarding HB315 I would like to present verbally on Feb. 22, 2021.

Respectfully,

Cliff

~~~

Cliff Lazenby

City Councilor, Portsmouth, NH

e: LazenbyforPortsmouth@gmail.com

p: 603.978.4725

w: http://lazenbyforportsmouth.com/.

f: https://www.facebook.com/LazenbyforPortsmouth/

From: Kate Luczko

Sent: Thursday, February 18, 2021 5:33:21 PM To: ~House Science Technology and Energy Subject: Greater Nashua Chamber - HB 315

**Importance:** Normal

**Attachments:** 

GreaterNashuaChamber\_HB315.pdf

Please see attached letter in support of HB 315, as amended.

Thank you!

#### **Kate Luczko**

President and CEO Greater Nashua Chamber of Commerce Office: (603) 881-8333 Ext. 222

Cell: (603) 860-6938

\*\*NEW ADDRESS: 60 Main Street, Suite 200, Nashua NH 03060\*\*

www.nashuachamber.com

From: Linton-Keddie, Shelby

**Sent:** Thursday, February 18, 2021 12:16:09 PM **To:** ~House Science Technology and Energy

Subject: EEI Testimony re HB 315

**Importance:** Normal

**Attachments:** 

FINAL\_NH Committee Letter HB 315 Aggregation\_ 2-18-21AB.pdf

Chairman Vose, Vice Chairman Thomas, and the rest of the Committee,

Thank you so much for your time on Friday to allow me to testify in support of HB315. As requested, please find attached a copy of our written testimony, in letter form.

Upon review, if you have any further questions or if there is any way EEI can assist the Committee, please don't hesitate to reach out.

Best,

Shelby Linton-Keddie

### Shelby A. Linton-Keddie, Esq.

Senior Director, State Energy & Regulatory Policy Edison Electric Institute 701 Pennsylvania Avenue, NW Washington, D.C. 20004-2696 202-508-5143 717-666-5127 (mobile) www.eei.org

From: Jerry

**Sent:** Thursday, February 18, 2021 8:21:17 AM **To:** ~House Science Technology and Energy

Subject: NH House Remote Testify: 1:00 pm - HB315 in House Science, Technology and

Energy

**Importance:** Normal

Community Power is so New Hampshire. HB315 guts it, making it so un-New Hampshire. Perhaps listening to the municipalities and towns that want to take advantage of Community Power and the Community Power experts, like Cliff Below, instead of EverSource lobbyists would be in the best interest of the citizens of New Hampshire.

From: Ashley Haseltine

**Sent:** Tuesday, February 16, 2021 11:24:14 AM **To:** ~House Science Technology and Energy

**Subject:** Letter of Support for HB315

**Importance:** Normal

**Attachments:** 

HB315 Support GDL Chamber.pdf

Hello,

Please find attached our letter of support for House Bill 315. I can be reached at the information below for any questions.

Thank you,

Ashley

## Ashley Haseltine

#### **President**

### **Greater Derry Londonderry Chamber of Commerce**

Atkinson | Auburn | Chester | Derry | Hampstead | Londonderry | Sandown | Windham

Adams Memorial Building 29 W Broadway Derry, NH 03038

Office: (603) 432-8205 Cell: (603) 479-7855

gdlchamber.org

From: bpshome@comcast.net

**Sent:** Monday, February 15, 2021 5:50:05 PM **To:** ~House Science Technology and Energy

**Subject:** No on HB315 **Importance:** Normal

I have been doing my best to understand the details of CPA and the impacts HB315 will have on it. I listened in on the hearing last Friday as well. It is my conclusion that HB315 should be rejected. Please consider my view as you contemplate HB315. Many thanks.

Brad Smith Jaffrey

Brad Smith <a href="mailto:bpshome@comcast.net">bpshome@comcast.net</a> +1 603 731 3142

From: Ellms, Christopher

**Sent:** Friday, February 12, 2021 2:28:04 PM **To:** ~House Science Technology and Energy

**Subject:** Governor Sununu letter in support of House Bill 315

**Importance:** Normal

**Attachments:** 

Governor Sununu letter re HB315.pdf

Dear Chairman Vose and members of the Science, Technology and Energy Committee,

Attached, please find a letter from Governor Chris Sununu in support of House Bill 315. I hope you have a nice long weekend.

Best, Chris Ellms

Christopher Ellms Jr. | Legislative Director Office of Governor Christopher T. Sununu (603) 271-8773 | Christopher.Ellms@nh.gov

From: Yolanda Baumgartner

**Sent:** Friday, February 12, 2021 10:33:19 AM **To:** ~House Science Technology and Energy

Subject: HB315, Hearing 2/12, 3 pm

**Importance:** Normal

Dear Chairman Vose and Members of the Science, Technology and Energy Committee:

NH was a leader, our nation's first state, to deregulate electricity. But deregulation has not fulfilled its promise of lower electricity costs for NH residents and small businesses. After more than two decades, the sector remains high in cost and low in innovation. In his comprehensive review of deregulation and the residential electric consumer, Professor Michael Mooiman of Franklin Pierce states: "Deregulation seemed like a good idea at the time: we have tried it out but it has not worked out the way we thought it would. There have been benefits, but, in this case, competition and the "invisible hand" of the market have not led to lower residential rates. I think it is now time for us to take a long hard look at this experiment and to figure out if there is a better

way." (http://nhenergy.blogspot.com)

The Community Power Law is a better way - unless we allow it to be stripped of its potential by HB315. This amendment before your committee will reduce choice, increase cost and deny effective competition in the residential electric sector. Who is served by HB315 other than utilities intent on maintaining their monopolistic control?

Throughout my ten years working on residential energy issues with Sustainable Hanover, I have heard from many members of my community who are enormously frustrated by their inability to buy affordable renewable electricity from a trusted source. I see growing anticipation as Hanover collaborates with Nashua, Lebanon and other communities to build community power plans that will lower cost, provide renewable energy choices and introduce innovative services to manage consumption. As enacted, the Community Power Law allows us to adopt a plan reflecting our needs and values. HB315 will sabotage the realistic achievement of such a plan.

NH can and must do better for residential and small business electricity consumers. Please keep the Consumer Power Law intact. Vote NO on HB315.

Sincerely, Yolanda Baumgartner Hanover, NH Co-Chair, Sustainable Hanover

From: David Morse

**Sent:** Friday, February 12, 2021 9:26:32 AM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

#### Hello.

I am against HB315 as it has been proposed. Below are some of my specific thoughts.

- 1) Cities control and manage water, let them offer electricity. Cities/towns are NOT suppliers just purchasers.
- 2) This is an opt-out system, no individual will have to participate in a City sponsored program.
- **3) Will impose burdensome regulations** that add costs, waste municipal resources, and make programs unworkable. Any town/city would be a buyer of a product, not the source of that product.
- **4)** Clearly hinders cost savings by diminishing access to competitive energy rates and services that a large customer such as a town might be able to access.
- 5) Would eliminate provisions that include and support house-hold energy production, net metering. This is crazy! The most efficient distribution is when it is made at the point of use. The use of unproductive space (roofs) to make clean electricity is common sense.
- **6) Removes** the provisions that account for & protect ratepayers participating in **low-to-moderate electric assistance programs**. Community power offers lower income households the chance to participate in clean energy when they might not be able to execute a program of their own.
- 7) We trust the City with a lot of our personal data now. Those same safeguards will protect data that is OK for the private sector Electricity distributor to have. I don't see the issue with getting information from the distributors.
- 8) How petty to try to say tax money cannot be spent on this program. It takes City/town employees to do a lot of small tasks to keep the town/city operating, if the local residents don't like it, they will vote about it. Back off about no taxpayer money can be spent! How petty.

David Morse Chemical Engineer 39 Ridgewood Ave Keene, NH 03431 603-209-2614

From: Mike Skelton

**Sent:** Thursday, February 11, 2021 10:16:30 PM **To:** ~House Science Technology and Energy

Cc: grp@rypgranite.com

**Subject:** GMC Support HB315

**Importance:** Normal

**Attachments:** 

GMC Support HB 315.pdf;

Dear Members of the House Science Technology and Energy Committee,

Attached please find the GMC's letter of support for HB315, set to be heard tomorrow afternoon. I have also signed in as supportive of the legislation on behalf of the GMC.

Thank you for your consideration,

Mike Skelton GMC



#### Michael Skelton

President & CEO Greater Manchester Chamber

54 Hanover Street, Manchester, NH

p. (603) 792-4102 w. www.manchester-chamber.org







From: Mari Brunner

**Sent:** Thursday, February 11, 2021 9:24:24 PM **To:** ~House Science Technology and Energy

Cc: Elizabeth A. Dragon; Jay Kahn; Joe Schapiro; electamandanh@gmail.com; Lawrence

Welkowitz; John Bordenet; Dru Fox; Sparky Von Plinsky; Donovan Fenton; Rhett Lamb; Mayor

George Hansel

Subject: Please vote "No" on HB 315

**Importance:** Normal

**Attachments:** 

Letter-to-STE\_HB315\_Mayors.pdf

Dear members of the NH House Science, Technology, and Energy Committee,

Please find attached a letter from Mayor Hansel on behalf ten mayors regarding House Bill 315, relative to the aggregation of electric customers.

Thank you, Mari

#### **Mari Brunner**

Planner, City of Keene Community Development Dept. (603) 352-5440

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From: Mike

**Sent:** Thursday, February 11, 2021 8:16:48 PM **To:** ~House Science Technology and Energy

**Subject:** Opposition to HB315

**Importance:** Normal

Dear Chairman Michael Vose, Vice-Chairman Douglas Thomas, and members of the committee. I write in opposition to HB315. As Chairman, Mr. Vose has pointed out during the republican caucus that this bill is a direct request by EverSouce. That information alone should be enough to tell everyone on the committee this bill should be defeated. Here in Conway, we have been trying to build a community solar array for several years. Every time we get close to being able to provide green energy with some reduction in rates to our community the state either writes legislation to destroy the ability or they put a pile of rules onto the bill. As you know, or should know, one of the reasons EverSource fights local generation plants whether solar or hydro is because of their guarantee of 11% profit on the cost of transmission. That simply means that if the cost of bringing power down from Canada is .4 cents per KW they are guaranteed 11% profit on that cost. Multiple that .4 cents by the Gigawatts of power brought down from Canada and you can understand why they are fighting this local power generation so much. No company should have guaranteed profit.

I asked that you kill this bill in committee and write meaningful legislation that would allow a small town or community to build a 5MW generator and share the power generated. Many towns are tied together either by school districts or water districts and should be able to share the benefits of a solar or hydro plant.

Thank You for your time, Michael DiGregorio Conway Village Fire/ Water District

From: HCS

Sent: Thursday, February 11, 2021 4:20:44 PM

**To:** Carrie Morris

**Subject:** FW: HB315 Testimony

**Response requested:** No **Importance:** Normal

**Attachments:** 

HB315TestimonyMV.pdf

For the bill folder HCS

From: Michael Vose < Michael. Vose@leg.state.nh.us>

Sent: Thursday, February 11, 2021 3:47 PM

To: ~House Science Technology and Energy <HouseScienceTechnologyandEnergy@leg.state.nh.us>

Cc: Jennifer Foor <Jennifer.Foor@leg.state.nh.us>; HCS <HCS@leg.state.nh.us>

Subject: HB315 Testimony

Here's my written testimony on HB315.

--Rep. Michael Vose, Chair Science, Technology, & Energy Committee Rockingham District 9 Epping, NH

From: HCS

**Sent:** Thursday, February 11, 2021 4:06:17 PM

**To:** Carrie Morris

**Subject:** FW: HB315 Testimony

**Response requested:** No **Importance:** Normal

**Attachments:** 

HB315TestimonyMV.pdf

From: Michael Vose < Michael. Vose@leg.state.nh.us>

Sent: Thursday, February 11, 2021 3:47 PM

To: ~House Science Technology and Energy <HouseScienceTechnologyandEnergy@leg.state.nh.us>

Cc: Jennifer Foor <Jennifer.Foor@leg.state.nh.us>; HCS <HCS@leg.state.nh.us>

**Subject:** HB315 Testimony

Here's my written testimony on HB315.

--Rep. Michael Vose, Chair Science, Technology, & Energy Committee Rockingham District 9 Epping, NH

From: Michael Vose

**Sent:** Thursday, February 11, 2021 3:47:12 PM **To:** ~House Science Technology and Energy

Cc: Jennifer Foor; HCS Subject: HB315 Testimony Importance: Normal

**Attachments:** 

HB315TestimonyMV.pdf

Here's my written testimony on HB315.

--Rep. Michael Vose, Chair Science, Technology, & Energy Committee Rockingham District 9 Epping, NH

From: Henry Herndon

**Sent:** Thursday, February 11, 2021 3:42:08 PM **To:** ~House Science Technology and Energy

Subject: HB 315, Testimony of Henry P. Herndon, Volunteer

**Importance:** Normal

**Attachments:** 

Testimony\_HB315\_HHerndon\_2-11-21.pdf

To the Honorable Chairman Michael Vose and the Members of the NH House Science Technology & Energy Committee,

Please find attached my testimony in opposition to House Bill 315.

Thank you for your careful consideration in this important matter.

Respectfully, Henry P. Herndon

--

Henry P. Herndon ❖ 14 DIXON AVE, SUITE 201, Concord, NH 03301 ❖ (781) 439-2177 ❖ henry@cpcnh.org

From: Samuel Golding

**Sent:** Thursday, February 11, 2021 3:37:17 PM **To:** ~House Science Technology and Energy

Subject: HB 315 testimony from Community Choice Partners, Inc.

**Importance:** Normal

**Attachments:** 

CCPartners\_NH SB286 Memo to Gov\_17July2019.pdf ato\_Need for Retail Market

Reform\_2017.pdf CPartners\_DE 19-197 Data Platform Direct

Testimony\_17Aug2020.pdf CPartners\_HB315 Testimony\_11Feb2021.pdf

Dear Chairman Vose and Honorable Committee Members:

Attached please find my testimony on HB 315 in PDF format, along with the Attachments to my testimony.

Please don't hesitate to be in touch if you have any questions.

Thank you for your attention to this important matter.

## Samuel Golding

President

Community Choice Partners, Inc.

c: 415.404.5283

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From: Madeleine Mineau

Sent: Thursday, February 11, 2021 2:52:07 PM
To: ~House Science Technology and Energy
Subject: CENH testimony in opposition to HB315

**Importance:** Normal

**Attachments:** 

CENH HB315 Testimony 2\_11\_21.pdf

Please find attached our written testimony in opposition to HB 315. Thank you for your consideration of our input on this important matter.

### Madeleine

--

Madeleine Mineau Executive Director Clean Energy NH (formerly NHSEA)

Cell phone: 607-592-6184





Virus-free. www.avg.com

From: Shulock, David

**Sent:** Thursday, February 11, 2021 1:48:13 PM **To:** ~House Science Technology and Energy

**Subject:** HB315 PUC Testimony

**Importance:** Normal

**Attachments:** 

HB 315 PUC Testimony(2-11-21).docx

Dear Chairman Vose and members of the committee,

Attached please find the testimony of Amanda O. Noonan on behalf of the Public Utilities Commission on House Bill 315.

Best regards,

**David Shulock** 

#### David J. Shulock

General Counsel
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429
603.271.2431 (phone)
603.271.3878 (fax)

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From: ckoning@ne.rr.com

**Sent:** Thursday, February 11, 2021 11:23:05 AM **To:** ~House Science Technology and Energy

**Subject:** Opposition to HB315

**Importance:** Normal

To the members of the Science Technology and Energy Committee:

I am writing as an individual citizen to oppose HB315. This bill would basically nullify RSA53-E, the Community Power Law, signed by Governor Sununu in 2019 (with bipartisan support, for good reason!). When I heard about Community Power, I was very excited, and the more I have learned about it, the more I am convinced that it is a win-win for everyone in NH. Community Power gives control to local communities over their electricity; just the way we have control over our fire dept., our police dept., our schools, our water supply. Community Power allows CITIZENS to make our own decisions for our own towns, to decide to try to save money on electric rates, increase energy efficiency (and therefore save money) and/or generate more renewable energy - whatever the townspeople want. The PEOPLE have to design the plan and approve it under Community Power. HB315 guts the Community Power Law and is anti-local control, pro-monopoly. HB315 wastes municipal resources, and adds burdensome regulations.

NH residents pay more for electricity than our similarly-rural neighbors in Maine and Vermont. NH residential electric costs are 6<sup>th</sup> highest in the country. Community Power allows a town to do for its residents what large businesses and institutions already have the right to do – work with a broker to get bulk purchasing of electricity. This would result in reduced costs for all residents. By sneaking in lots of difficult-to-impossible steps, and removing key phrases such as the ability to provide electricity, HB315 removes access to these competitive energy rates and services. Community Power is about saving money.

I live with my family in Keene. My husband Rob and I have wanted solar panels on our house for the past 17 years, but only in the last year could we afford them, and then it was only because my husband has the expertise to do the installation himself (with help from licensed electricians, of course). But it was still very expensive, and even though the solar array will eventually pay for itself, most people can't afford the up-front costs. With Community Power, all residents can have access to cleaner, and cheaper, electricity. Community Power is about fairness.

Keene has made Community Power one of the foundations of its energy plan. That's our right, to choose our own pathway. Community Power gives towns, cities and counties the ability to choose the mix of energy their residents want, and gives each ratepayer the right to be a part of the Community Power plan or stay with their local utility.

We're not telling the rest of the state how to run their towns, but we do want cheaper and/or cleaner electricity, and Keene's plan gives its residents those choices. HB315 is taking away our rights, our choices.

In addition, HB315 makes it impossible for towns that own their own hydroelectric dams or solar arrays to sell the electricity they generate to their own residents! These residents could not get cheap clean electricity from the very projects that they paid for! Community Power is about local control, HB315 destroys local control.

Competition brings down costs. Community Power gives us competition, lower rates, local control and choice over how and where our electricity is produced. HB315 takes all of that away, it is anti-free market, and puts NH ratepayers at a BIG disadvantage.

This bill doesn't accomplish anything positive, and it is not ready to be sent to the full House for a vote.

Thank you for your time.

Sincerely,

Catherine Owen Koning

From: Ann Shedd

**Sent:** Thursday, February 11, 2021 10:35:04 AM **To:** ~House Science Technology and Energy

**Subject:** OPPOSE HB 315

**Importance:** Normal

I am writing as a voter in Keene to urge you to oppose HB 315.

Having served as a member of the City of Keene Conservation Commission and Energy and Climate Committee, I have followed with great interest the opportunities afforded our communities by RSA53-E (adopted in 1996 and expanded with bipartisan support in 2019). Aggregation programs can at minimum offer cost-reduction, particularly for residential and small-business rate-payers, but will have most benefit if other opportunities afforded by the 2019 amendments to RSA53-E remain in place.

For Keene, there is great potential for a community aggregation program to help the City meet its stated goals as set out in <u>Council Resolution R-2018-36</u>, and the City has been actively working toward establishing a program.

The measures included in HB315 would be obstacles to establishment of an aggregation program: obstacles to educating local rate-payers about the program, obstacles to identifying and contacting rate-payers in the community, obstacles to the community's choices in sourcing their electrical supply, obstacles to supporting energy-efficiency endeavors, and obstacles to innovative and ultimately cost-saving technologies.

I urge you to oppose HB 315.

Ann Shedd, 59 Greenwood Ave, Keene, NH 03431

From: Karen Geiling

**Sent:** Thursday, February 11, 2021 7:57:08 AM **To:** ~House Science Technology and Energy

**Subject:** HB315 **Importance:** Normal

Dear Representatives:

Please vote NO on HB 315. If the bill passes it would basically undo RSA 53-E. The purpose of RSA 53-E is to:

- \*"provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy suppliers..."\*
- \*"to provide such customers access to competitive markets for supplies of electricity and related services..."\*

\*"to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities."\*

HB 315 \*undermines\* the purpose of RSA 53-E by:

- 1. Eliminating Community Power authority to provide electric power supply and related customer service, load management and energy conservation;
- 2. Restricting energy services available to Community Power to only monopolistic and regulated ones;
- 3. Removing Community Power access to data necessary for program implementation;
- 4. Subjecting Community Power to regulation by the Public Utilities Commission.

Community Power aims to harness competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to our cities and towns. But those benefits will never be realized if HB 315 doesn't becomes law. Community Power represents a "New Hampshire Way" forward on energy issues, one that chooses markets over mandates; local control over monopoly control; and innovation over regulation. Please do not allow this attack on Community Power to take away our local authorities.

Thank You, Karen Geiling Hanover, NH

From: Janice Ireland

Sent: Wednesday, February 10, 2021 6:06:10 PM To: ~House Science Technology and Energy Subject: Letters from the Town of Rye

**Importance:** Normal

**Attachments:** 

Letter - HB213.pdf Letter - HB 315.pdf

## Good evening,

Please find attached letters for your committee from the Town of Rye Select Board, Energy Committee and State Representative regarding HB213 & HB315.

Thank you,

Janice Ireland Selectmen's Executive Assistant 10 Central Road Rye, NH 03870 (603) 964-5523 (603) 964-1516 – Fax jireland2@ryenh.us

From: Cliff Sinnott

**Sent:** Wednesday, February 10, 2021 5:03:14 PM **To:** ~House Science Technology and Energy

**Subject:** Letter opposing HB315

**Importance:** Normal

Attachments: Letter HB315 Sinnott.pdf ;

Please see attached letter stating my opposition to passing HB315 as written. I am unable to attend the hearing on Friday but would like this letter submitted as testimony.

Thank you for your consideration.

Cliff Sinnott Exeter

From: Robert Hayden

**Sent:** Wednesday, February 10, 2021 2:41:59 PM **To:** ~House Science Technology and Energy

**Subject:** HB315 **Importance:** Normal **Attachments:** 

HB315TestimonyS\_10FEB21.pdf

Hi Folks,

Please find my testimony on HB315 attached. This testimony is on behalf of Standard Power and Good Energy

Be well and have a great day!

Bob Hayden President and Chief Technical Officer Standard Power of America

(cell) 603-325-1749 (fax) 855-855-2012 b.hayden@standardpower.com



www.standardpower.com

From: Dorothy Currier

**Sent:** Wednesday, February 10, 2021 12:05:09 PM

To: ~House Science Technology and Energy

Subject: HB315 public testimony for hearing 2/12/21, 3 PM

**Importance:** Normal

February 10, 2021

Members of the STEC,

Please vote "No" on HB315.

HB315 sabotages Community Power by creating burdensome regulations and contradictory provisions that make it impossible to comply. This is not simply a disagreement in ideology or it wouldn't have to deviously subvert Community Power itself. They would just say, "we don't want it and here are the reasons why..."

This is a dishonest bill that maintains the utilities' monopolistic dominance with its use of fossil fuels and prevents innovation, competition, resilience and local control-free of burdensome regulation. These core values were behind restructuring the utility industry in 1996. Restructuring intended to take the centralized control of energy generation away from the utilities and put it in the hands of a diverse competitive marketplace.

Distributing that generation amongst the local populace provides resilience in times of extreme weather events. We wouldn't lose massive amounts of electricity when a storm hits Texas or some far away place to which we export our money. There also would not be massive amounts of electricity lost in the transmission lines coming from far away. Communities could arrange to generate and store extra energy for use when needed. Centralized control leaves us vulnerable. Distributive generation enables NH to provide good, clean jobs in our state, providing economic resilience as well.

Utilities assert their dominance by preventing the growth of solar and hydro. They have found a way to make money on offshore wind, which is in federal waters, so there is no capacity to empower our communities.

This bill does not reflect values of freedom and equal opportunity, but authoritarianism to maintain the control of special interests. In fact, the outcome will be to advantage the well off and make the middle class and poor worse off. This bill is about money and power.

Our utilities have an antiquated paradigm they are clinging to and they are harming our NH community as a whole. Eversource is a Connecticut company, not a NH company.

Please vote "No" on HB315.

Sincerely.

Dorothy Currier Clinton St Concord, NH

From: RM Allen

Sent: Tuesday, February 9, 2021 8:31:11 PM To: ~House Science Technology and Energy Subject: Community Aggregation letter HB315

**Importance:** Normal

February 8, 2021

**NH State House** 

Dear Science, Technology and Energy Committee,

The Exeter Energy Committee has been investigating the Community Power/ Municipal Aggregation option since the bill was passed last October. We are very enthusiastic, as we feel it will be a great way to foster innovations that benefit our community.

We are extremely dismayed to hear that a new bill has been introduced that would essentially negate the Municipal Aggregation option in favor of the status quo. Towns should be able to have the ability to chart their own course.

We hope that you table this bill, as we feel it will strip us of most of the benefits we could receive under an aggregation agreement as outlined in RSA 53-E.

Sincerely,

Renay Allen

**Exeter Energy Cmte chairperson** 

From: Joanna Sharf

**Sent:** Tuesday, February 9, 2021 7:35:27 PM **To:** ~House Science Technology and Energy

**Subject:** Please oppose HB 315

**Importance:** Normal

Dear House Science, Technology & Energy Committee Members,

Ever since Governor Sununu signed the amended RSA 53-E into law in 2019, the Cornish Energy Committee has been interested in having our town procure its own electricity under the powers of Community Power Aggregation (CPA). On September 11, 2020, we took the first step in the process by having our Select Board appoint our Energy Committee as the Cornish Electric Aggregation Committee.

We, the undersigned Cornish Energy & Electric Aggregation Committee members, urge you to oppose HB315, as it would effectively destroy our ability to take advantage of all the benefits of Community Power Aggregation.

Please don't remove the one real chance our town and other NH towns have to take control of our energy decisions and achieve a cleaner, more sustainable future for this world.

Under RSA 53-E, Community Power Aggregation supports:

- 1. Local control & democratization in purchasing energy & choosing energy sources
- 2. Independence for towns with regard to energy supply & management
- 2. Obtaining lowest energy prices for our residents & businesses
- 3. Purchasing or building renewable sources of electricity
- 4. Creating incentives for residents to use or install renewable energy
- 5. Adopting innovative energy saving technology like battery storage
- 6. Developing energy resilience for our town to survive emergencies

### HB315 would:

- 1. Impose burdensome administrative and regulatory requirements that would cost towns money and time
- 2. Require towns to hire 3rd parties for certain functions, thereby limiting local control and increasing costs
- 3. Limit a town's ability to obtain critical data, such as customer data and current addresses, essentially paralyzing the CPA from the get-go
- 4. Prevent CPAs from providing their own electric power supply (such as from solar arrays), and prevent them from providing load management and energy conservation.

It is clear to us that the intent of HB315 is to seriously restrict the freedom and financial solvency of CPAs, effectively rendering them unable to succeed.

Please support the ability of CPAs to function efficiently, creatively and effectively. Please vote NO on HB315.

Thank you for your consideration.

Sincerely,

The Cornish Energy & Electric Aggregation Committee:
Nancy Wightman
Dan Poor
Richard Thompson
Doug Heaton
Dick Gendron
Bill Cable
Joanna Sharf, Chair

From: Carol E Kraus

**Sent:** Monday, February 8, 2021 9:06:52 PM **To:** ~House Science Technology and Energy

Cc: Carol E Kraus

Subject: NH House Remote Testify: 3:00 pm - HB315 in House Science, Technology and

Energy

**Importance:** Normal

We are in a climate crisis and must move away from fossil fuel use if there is to be any hope of preserving life as we know it.

Towns and cities need to have a way to purchase blocks of electric power for their private citizens in order to move away from

the use of fossil fuels, the activity which is rapidly heating up our planet, melting the polar ice caps, raising sea levels, disturbing animal habitats and causing the extinction of 14 species per day. We cannot survive on the planet without many of these species.

Millions of people are already climate refugees as their islands are sinking or flooding and areas of the world are approaching and reaching temperatures of 130 degrees Fahrenheit, in which human life is unsustainable. Fires are bigger, more frequent and more out of control; droughts as well as storms are becoming more severe.

Then why do we hold on to the use of fossil fuels for our energy needs? The answer is: FOR IMMEDIATE PROFIT with no thought for the damage being done to our young people and to future generations of humans and other animals on our only home, the Earth.

The CEOs at Eversource are in denial to think that continued fossil fuel use and resulting climate crises will not affect them directly.

We want to keep Community Power intact, this bill would destroy that possibility.

Carol Kraus

From: Mary Ewell

Sent: Monday, February 8, 2021 8:33:40 PM
To: ~House Science Technology and Energy
Subject: HB315 Opposition from Spofford, NH

**Importance:** Normal

Dear Representatives of the House ST&E Committee,

I am writing today to voice my opposition to HB315. Granite Staters have traditionally embraced a free market system that allows the marketplace to set trends and business opportunities for New Hampshire. HB315 stimies competition and innovation; closes doors to local control and enables utilities to maintain their electricity monopoly over residents.

Since deregulation separated electricity purchasing from the transmission and distribution of power, I can see no logical reason to enact this legislation and allow the utilities to continue to hold a monopoly over electricity power purchasing and innovations that can save ratepayers money. At a time where our residents are worried about the basics of life, why stop a transition to Community Power that could enable savings and a brighter future?

I hope this committee will realize that Granite Staters want choice, freedom from monopoly business practices, and an open marketplace for municipalities to gain the best pricing and rate saving innovations for their residents.

Sincerely, Mary Ewell 208 Valley Park Drive Spofford, NH

\_\_

Mary Ewell, PhD she/her/hers 703-887-9254

"The greatest threat to our planet is the belief that someone else will save it." Robert Swan

From: Jerry

**Sent:** Monday, February 8, 2021 12:37:02 PM **To:** ~House Science Technology and Energy

**Subject:** HB315 **Importance:** Normal

February 8, 2021 Chairman Michael Vose Science, Technology and Energy Committee New Hampshire House of Representatives RE: HB315relative to the aggregation of electric customers.

### Dear Chairman Vose:

I am today submitting written testimony in opposition of HB315.

New Hampshire already significantly lags neighboring states in developing clean energy projects in general and solar in particular, due to a hostile regulatory environment. Vermont and Massachusetts now derive 14% and 18% respectively of their energy from solar compared to New Hampshire's less than 1%. HB315 will only exacerbate the situation.

I encourage all of our elected officials to oppose HB315.

Thank you, Gerald Beck 113 Sargent Rd Holderness, NH 03245

From: Craig Cadieux

**Sent:** Monday, February 8, 2021 9:15:32 AM **To:** ~House Science Technology and Energy

**Subject:** Oppose NH315 **Importance:** Normal

# Dear Committee,

Please oppose passage of HB315. Passage of this bill will result in a major step backwards in bringing more clean energy to New Hampshire, reduce the negative impacts of Climate Change, and impact local jobs in Clean Energy. The more clean energy we generate in NH, the money dollars stay in NH.

Thank you.

Craig Cadieux 2 Woodside Drive Bridgewater, NH 03222

603-254-8700

From: Jerry

**Sent:** Sunday, February 7, 2021 4:37:23 PM **To:** ~House Science Technology and Energy

Subject: NH House Remote Testify: Feb 12 at 3:00 pm - HB315 in House Science,

Technology and Energy **Importance:** Normal

February 7, 2021

Chairman Michael Vose Science, Technology and Energy Committee New Hampshire House of Representatives RE: HB315relative to the aggregation of electric customers.

Dear Chairman Vose:

I am today submitting written testimony in opposition of HB315.

New Hampshire already significantly lags neighboring states in developing clean energy projects in general and solar in particular, due to it hostile regulatory environment. Vermont and Massachusetts now derive 14% and 18% respectively of their energy from solar compared to New Hampshire's less than 1%. HB373 will only exacerbate the situation.

I encourage all of our elected officials to oppose HB373.

Thank you, Gerald Beck 113 Sargent Rd Holderness, NH 03245

From: Cheri Domina

**Sent:** Sunday, February 7, 2021 4:24:28 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

## Greetings;

I'm writing to oppose House Bill 315, which will amend the 2019 Community Power Law, gutting its important provisions, and keeping NH energy a monopoly.

I am excited about Keene's community power plans, and recently attended a Zoom call intended to inform Swanzey officials about opportunities for our town. HB315 would crush any opportunities for community power, hampering local control.

As an owner of a solar power array since 2019, I would love to see this technology more widely available for our municipalities, businesses, farms and residents, and I am tired of the way this state has made alternative energy choices more difficult instead of more affordable. It's time to get on the right side of history and start leading in alternative energy generation and local community power.

If we all get behind the Community Power Law, we can save money, create jobs, use cleaner energy and be proud of accomplishing something together, locally. Please vote AGAINST House Bill 315.

Thank you! Cheri Domina

--

Cheri Domina 227 Swanzey Lake Road Swanzey, NH 03446 (207) 930-9730 cheri.domina@gmail.com

From: Steve Dzubak

**Sent:** Friday, February 5, 2021 3:23:43 PM **To:** ~House Science Technology and Energy

**Subject:** HB315 **Importance:** Normal

## To whom it may concern:

I am writing in opposition to HB315. This bill will severely inhibit the ability of New Hampshire's towns and municipalities to lower their energy costs for residents all across New Hampshire. With New England's electrical prices at some of the highest across the nation, we should be working to lower prices while increasing renewable energy produced locally. This bill does the opposite and is simply not good policy.

Thank you Steven Dzubak PO 171 Enfield, NH 03748

From: Joy Kubit

**Sent:** Friday, February 5, 2021 2:54:24 PM **To:** ~House Science Technology and Energy

**Subject:** HB 213 and HB315

**Importance:** Normal

As a concerned citizen and grandmother of 3 I am certainly opposed to both of these bills. We should be moving in the opposite direction for more jobs and clean energy savings for the people of NH. This should be a non partisan vote and we should listen to science. Sincerely, Joy Kubit, New London, NH.

Sent from my iPad

From: Ted Vansant

**Sent:** Friday, February 5, 2021 11:11:06 AM **To:** ~House Science Technology and Energy

**Subject:** I oppose HB315 **Importance:** Normal

Dear Committee members. I strongly oppose HB315 as this would make it nearly impossible for any county or municipality to meet the requirements of Chapter 53-E. The goal of the law is to enable energy freedom and ingenuity not to continue to allow electric utilities to be monopolies.

Best regards,

Ted Vansant
New England Commercial Solar Services
Office 603-968-7359
Mobile 603-387-9577
ted@necsolarservices.com



From: Terry Clark

**Sent:** Thursday, February 4, 2021 5:01:37 PM **To:** ~House Science Technology and Energy

**Subject:** Testimony opposing HB315

**Importance:** Normal

**Attachments:** 

HB315 Opposition Letter.pdf

Cheshire County NH: The content of this email is confidential and intended for the recipient specified in the message only. It is strictly forbidden to share any part of this message with any third party without a written consent of the sender. If you received this message by mistake, reply to this message and follow with its deletion.

From: Steve Halleran

**Sent:** Thursday, February 4, 2021 11:53:54 AM **To:** ~House Science Technology and Energy

Cc: Lee Oxenham; Brad Atwater; Ron Eberhardt; 'Steve' Subject: Please Vote Inexpedient to Legislate on HB 315

**Importance:** Normal

**Attachments:** 

Town of Plainfield Testimony on HB 315 - Version 3.pdf

House Science Technology and Energy Committee:

Attached is testimony from Town of Plainfield officials concerning HB 315.

Thank you in advance for considering our concerns as part of your legislative review.

Stephen Halleran Town Administrator (603) 469-3201

From: Tom Ploszaj

Sent: Saturday, January 30, 2021 11:18:34 PM

To: Craig Lazinsky; ~House Science Technology and Energy

**Cc:** Anne Copp; Phyllis Katsakiores; Maryann\_Kimball3@yahoo.com; Erica Layon; David Love; David Milz; Steve Pearson; John Potucek; Katherine Prudhomme Obrien; Richard Tripp; Regina

Birdsell

**Subject:** Re: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

**Importance:** Normal

Thank you Craig,

As you may heard I am looking for interested entities to expand the choice of energy suppliers and if I am mistaken, I would like to hear why the present system of energy choice is the best NH can provide for its residents.

I would encourage you and others to assist in asking their Senators and Representatives to read, ask questions, and understand how HB 315 nullifies RSA 53-E authorization that customers though their municipality can decide to aggregate customers and produce and/or provide energy to their aggregate of customers and letting the ST&E committee know their understanding of HB315.

NH315 amends the short, concise RSA 53-E into a lengthy, complex RSA removing the customer's opportunity through an aggregator from having their energy provided by an alternative supplier.

I believe the more choices available is better than the state removing that option with HB315.

Thank you again for your input, I am listening.

**Best Regards** 

Peace,

Tom Ploszaj

**NH House of Representatives** 

Belknap District 1 - Center Harbor & New Hampton 137 Daniel Webster Hwy Center Harbor, NH 03226

Tom.Ploszaj@leg.state.nh.us

https://www.tomploszaj.com/

603-279-9965

From: Craig Lazinsky <craiglazinsky@comcast.net>

Sent: Saturday, January 30, 2021 9:44 AM

**To:** ~House Science Technology and Energy <HouseScienceTechnologyandEnergy@leg.state.nh.us> **Cc:** Anne Copp <Anne.Copp@leg.state.nh.us>; Phyllis Katsakiores <pkatsakiores@comcast.net>;

Maryann\_Kimball3@yahoo.com <Maryann\_Kimball3@yahoo.com>; Erica Layon

<Erica.Layon@leg.state.nh.us>; David Love <DavidLove4rep@gmail.com>; David Milz

<David.Milz@leg.state.nh.us>; Steve Pearson <Steve.Pearson@leg.state.nh.us>; John Potucek

<John.Potucek@leg.state.nh.us>; Katherine Prudhomme Obrien <KPO@leg.state.nh.us>; Richard Tripp

<Richard.Tripp@leg.state.nh.us>; Regina Birdsell <Regina.Birdsell@leg.state.nh.us>

Subject: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

As a voter in the Town of Derry and community volunteer, I am writing to request that you vote "No" on House Bill 315, relative to aggregation of electric customers. The attached letter outlines reasons why House Bill 315, introduced at the request of Eversource, would gut RSA 53-E and undercut the potential of businesses to offer customers new products and services through Community Power. Thank you for your consideration.

Regards, Craig Lazinsky Derry NH craiglazinsky@comcast.net

From: Craig Lazinsky

**Sent:** Saturday, January 30, 2021 10:44:30 AM **To:** ~House Science Technology and Energy

**Cc:** Anne Copp; Phyllis Katsakiores; Maryann\_Kimball3@yahoo.com; Erica Layon; David Love; David Milz; Steve Pearson; John Potucek; Katherine Prudhomme Obrien; Richard Tripp; Regina

Birdsell

**Subject:** Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

**Importance:** Normal

**Attachments:** 

Letter-to-STE\_Vote NO on HB315\_1-30-2021 C Lazinsky\_Derry.docx

As a voter in the Town of Derry and community volunteer, I am writing to request that you vote "No" on House Bill 315, relative to aggregation of electric customers. The attached letter outlines reasons why House Bill 315, introduced at the request of Eversource, would gut RSA 53-E and undercut the potential of businesses to offer customers new products and services through Community Power. Thank you for your consideration.

Regards, Craig Lazinsky Derry NH craiglazinsky@comcast.net

From: Dylan Lucas

**Sent:** Friday, January 29, 2021 5:38:52 PM **To:** ~House Science Technology and Energy

Subject: Reject House Bill 315

**Importance:** Normal

### Good Evening!

My name is Dylan Lucas and I am a 29 year resident of New Hampshire, and I work in the solar industry. For 3 years it was installing residential and commercial systems behind the meter. However for the past 3 years I have been designing solar and battery storage power plants for Maine, Massachusetts and New York, and Dartmouth College.

Unfortunately New Hampshire energy legislation drives up the cost of electricity for all ratepayers, because its market protects high cost legacy power plants like the Merrimack coal station in my birth town of Bow, New Hampshire.

I urge you to reject HB315, and hopefully we can make low cost solar available to New Hampshire residents as Massachusetts, New York and most recently Maine has. Our first step is allowing every town the access it needs to its citizens.

Thank you for doing the right thing for all ratepayers by rejecting HB315.

Sunny Regards, Dylan Lucas

From: ian@raymondphoto.com

**Sent:** Thursday, January 28, 2021 9:55:32 PM **To:** ~House Science Technology and Energy

**Subject:** HB315 **Importance:** Normal

Please reject HB315. This bill does not serve rate payers

Ian Raymond Raymond Photography 616 Main Street Laconia, NH 03246 (603)524-4130

From: Coleen Fuerst

Sent: Thursday, January 28, 2021 6:29:29 PM

To: ~House Science Technology and Energy; Judith Spang

Cc: Jim Dreher

**Subject:** HB 315 Our Comments

Importance: High Attachments:

Letter-to-STE\_HB315\_Final\_1-27-21CF\_J.pdf

To: All on the NH House Science Technology and Energy Committee and Judith Spang

Please see the attached letter.

Thank you for your serious considerations.

Sincerely,

Coleen Fuerst, President Jim Dreher, Owner **Durham Boat Company, Inc.** 220 Newmarket Rd. Durham, NH 03824

+1 (603) 659-7575

+1 (603) 659-6565

cfuerst@durhamboat.com

http://www.durhamboat.com

Also, We are both on the Town of Durham Energy Committee

From: george saunderson

**Sent:** Thursday, January 28, 2021 11:44:45 AM **To:** ~House Science Technology and Energy

**Subject:** HB315 **Importance:** Normal

To members of S. T. And E.,

Please add my voice to all the other people that your hearing from and vote NO on HB315. This is a bad bill and Eversource should not be in the business of promoting self serving legislation.

Thank you,

George Saunderson

Former Rep and member of S. T. & E.

From: Clifton Below

Sent: Monday, April 19, 2021 10:10:33 AM To: ~House Science Technology and Energy Subject: SB 91, City of Lebanon testimony.

**Importance:** Normal

**Attachments:** 

SB 91 City of Lebanon testimony 4-18.pdf

Attached please find the City of Lebanon's testimony in support of SB 91.

Clifton Below ❖ Asst. Mayor, Lebanon City Council ❖ personal office: 1 COURT ST, STE 300, Lebanon, NH 03766-1358

(603) 448-5899 (O), 667-7785 (M) ❖ Clifton.Below@LebanonNH.Gov ❖ www.linkedin.com/in/clifton-below

From: Donna Reardon

**Sent:** Monday, February 22, 2021 11:29:15 AM **To:** ~House Science Technology and Energy

Cc: Donna Reardon

**Subject:** HB 315 OPPOSE **Importance:** Normal

The Honorable Michael Vose, Chair House Committee on Science, Technology and Energy Legislative Office Building Concord NH 03301

February 22, 2021

**RE: HB 315** 

Dear Representative Vose and Honorable Members of the ST&E Committee:

I am submitting written testimony in OPPOSITION to HB315. My reasons for opposing the bill are as follows:

- 1. In 2019, Governor Sununu demonstrated his leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. There was a lot of time, research and public hearings involved in passing the update allowing aggregation of electric customers by municipalities and counties. There are major plans and money involved in the planned projects. HB 315 entirely undermines the intent of Governor 'Sununu's update to RSA 53-E, which was supported by a bipartisan legislature.
- 2. The majority of NH people are opposed to this bill including, but not limited to, 10 of 11 NH Mayors Oppose HB 315, The NH Municipal Association Opposes HB 315, and The NH Association of Counties Opposes HB 315. In the past year many counties have begun to utilize this benefit for their communities. House Bill 315, as introduced, would render RSA 53-E ineffective and undercut businesses' innovative potential to offer customers new products and services through Community Power.
- 3. This bill would strengthen monopoly control over local control and competitive markets, burden communities with overregulation, and sabotage municipalities' potential to make their own energy supply decisions through Community Power.

Please do not pass HB315. Clean energy is Our Future.

Sincerely, Donna Reardon Concord NH

https://www.concordmonitor.com/Renewable-energy-38928174

From: Judith Pettingell

**Sent:** Monday, February 22, 2021 11:20:15 AM **To:** ~House Science Technology and Energy

Subject: PLEASE oppose HB 549, HB 213, and HB 315

**Importance:** Normal

I am writing as a neighbor, member of a Hanover climate amelioration committee, loving parent and grandparent, a grateful recipient of a generous weatherization grant from NH Saves, and lover of the beauty of our planet and the life it provides for us all. I and all of my many friends value efforts being made to promote weatherization (energy **not** spent because of weatherization **is** green energy), the value of thermal energy, the solar energy grid, efforts to support aggregate purchases of green energy, and other negative aspects. New Hampshire is recognized as having **the worst** climate mitigation legislation of all the New England states This is not only bad for contributing to global warming but also drives away companies considering investing in a NH location and other companies. People working in the climate mitigation field believe passage of these bills will set us back another 10 years, 10 years that we do have in our race to protect our world.

Thank you,

Judith Pettingell

1 Woodmore Drive
Hanover NH 03755

From: Bruce Berk

**Sent:** Monday, February 22, 2021 9:44:37 AM **To:** ~House Science Technology and Energy

Subject: NH House Remote Testify: 1:00 pm - HB315 in House Science, Technology and Energy

**Importance:** Normal

Good morning Mr. Chairman and Committee members

My name is Bruce Berk and I am a resident of Pittsfield.

Thank you for taking time to hear my concerns,

I oppose HB 315 for six reasons and encourage this committee to vote to inexpedient to legislate. (ITL) this bill

- -One, overall it feels like there are too many unresolved questions surrounding this bill.
- -Two, If RSA 53-e came under criticism due to ambiguity in some offered amendments, this bill does not solve this perceived problem. Instead, in reading Chairman Voss's and Professor Farid's statement, they offer conflicting definitions of community and aggregate power. If there is an inability to agree on basic terms then how can this committee move forward?
- -Three, my understanding of 315 deletes language referencing the Electrical Assistance Program which provides subsidies to low and moderate income rate payers. If true, this bill does not act in the best interests of the ratepayers
- -Four, if Prof Farid is correct then this bill reduces competition. On page 4 he writes it "prohibits customer service and other related services" He goes on to write, this bill will limit transactional energy services and real time pricing, in other words, 315 discourages innovation and competition.
- -Five, CPAs are up and running (with varying levels of success) in 12 different states. We should seek to replicate these programs
- -Six, and most importantly, the community power option is popular across the state, and this bill limits choice and innovation. I ask the committee to ITL this bill to ultimately accomplish Chairman Voss' goals as stated in his testimony

"Aggregation can be a positive partnership between municipalities, utilities, and energy suppliers. All for the benefit of ratepayers. HB315 will help New Hampshire get on that path and bring value to electric customers throughout the state."

Thank you

From: cynthia walter

**Sent:** Sunday, February 21, 2021 6:30:15 PM **To:** ~House Science Technology and Energy

Subject: [CAUTION: SUSPECT SENDER] HB 315 Testimony Comm Power

**Importance:** Normal

#### 2-21-21

Dear Members of the NH House Committee on Science, Technology and Energy,

I urge you to listen to the advice from many non-partisan groups of leaders across NH that oppose this bill.

I am a scientist and have served on energy committees at my college and my church. I learned to use advice from community leaders like the ones I quote below.

HB 315 creates more problems than it solves in community power. A few examples: It blocks good projects already in the works based on good laws in 2019. Example: The non-profit, non-partisan NH Municipal Association has "strong opposition" to HB 315 stating...

"We are concerned that the bill's extensive changes to RSA 53-E will render municipal aggregation of electricity impossible or ineffective. Since 2019, municipalities have been working to implement the statute's provisions to provide lower energy costs and enable greater use of renewable energy sources."

# It overcomplicates government interference and does not add consumer protection.

Example: Mayors of 10 cities representing almost 400,000 Granite Staters in Berlin, Claremont, Concord, Dover, Keene, Lebanon, Manchester, Nahua, Portsmouth and Rochester, "urged you to vote NO" and noted several problems including this one:

"In addition to making it infeasible to run a program, this bill would add layers of unnecessary regulatory review, adding time and expense to the process to develop and launch a program. The process to develop and adopt an electric aggregation plan is already rigorous and includes multiple public meetings and public hearings prior to adoption by the legislative body of the municipality or county. Requiring each individual plan to be submitted to the Public Utilities Commission for review would place an unnecessary and onerous burden on local communities."

# It hurts NH businesses in favor of large corporations that take money out of NH. Example: NH Association of Counties President wrote:

"House Bill 315, as introduced, would render RSA 53-E ineffective and undercut businesses' innovative potential to offer customers new products and services through Community Power. This bill would strengthen monopoly control over competitive markets, burden communities with burdensome regulations, and sabotage municipalities' potential to make their own energy supply decisions through Community Power. HB 315 entirely undermines the intent of Governor 'Sununu's innovative update to RSA 53-E, which was supported by a bipartisan legislature.

Community Power represents the "New Hampshire Way" forward on energy issues, one that chooses markets over mandates, local control over monopoly control, and innovation over-regulation."

# House STE passage of HB 315 is not a good use of legislator time.

Evidence: The above statements are a small sample of growing opposition. This bill has several complex flaws that cannot be fixed with amendments or rewording. These problems will hamper Senate committee analysis and make the bill unworkable going forward.

# Please do not vote to continue HB 315.

Instead, watch how community power projects grow and, **if** there is evidence of problems, spend your precious time to write a new bill.

Regards,
Cynthia Walter, Ph.D.
22 West Concord St.
Dover, NH 03820
cawalter22@gmail.com also walter.atherton@gmaill.com

Sent from Mail for Windows 10

From: Michael Vose

Sent: Saturday, February 20, 2021 11:46:56 AM

To: ~House Science Technology and Energy; Jacqueline Cali-Pitts

Cc: Jennifer Foor; Carrie Morris Subject: Amendment to HB315

**Importance:** Normal

**Attachments:** 

HB 315 - 2021-0457h.pdf

As promised, I attach an amendment to HB315. We will discuss this amendment in detail on Monday. The major changes include:

- 1. The amendment uses language provided by the Hon. Clifton Below in section 6, line 6 and in most of section 8.
- 2. It adds a purchase of receivables provision that is optional, not mandatory, as requested by Liberty.
- 3. It adds a restriction on the imposition of exit fees in Section 6, as suggested by Marc Brown of the Consumer Energy Alliance.

Enjoy your weekend!

--Rep. Michael Vose, Chair Science, Technology, & Energy Committee Rockingham District 9 Epping, NH

From: Dr. Amro M. Farid

**Sent:** Friday, February 19, 2021 10:08:28 PM **To:** ~House Science Technology and Energy

**Cc:** licatam@nhec.com; Huck.Montgomery@libertyutilities.com; bourquek@unitil.com; simpsonc@unitil.com; donna.gamache@eversource.com; Amanda.O.Noonan@puc.nh.gov; David.Shulock@puc.nh.gov; David.Wiesner@puc.nh.gov; Donald.M.Kreis@oca.nh.gov; Heather

Tebbetts; Clifton Below

**Subject:** HB315, relative to the aggregation of electric customers

**Importance:** Normal

**Attachments:** 

Farid HB315 Testimony.pdf

Dear Rep. Vose & Members of the NH House Science, Technology & Energy Committee,

Please find attached my testimony in opposition to HB315.

It's my hope the NH legislature finds an alternative bipartisan path forward.

Sincerely,

Prof. Amro M. Farid

Amro M. Farid
Associate Professor of Engineering
Laboratory for Intelligent Integrated Networks of Engineering Systems (LIINES)
Thayer School of Engineering at Dartmouth
MIT Mechanical Engineering Research Affiliate
Chair of the IEEE Smart Cities R&D Committee



From: michael smith

**Sent:** Thursday, February 18, 2021 6:04:56 PM **To:** ~House Science Technology and Energy

**Subject:** Hb549 Bill **Importance:** Normal

If this bill passes not only will I have to close my business I will also have to lay off all my employees . Energy efficiency is a good thing  $\,$  Don't pass this bill

Thank you,
Mike Smith
Owner
Weathering Con

Weatherize Guyz, LLC Phone 603-315-9563



From: Kate Luczko

Sent: Thursday, February 18, 2021 5:33:21 PM To: ~House Science Technology and Energy Subject: Greater Nashua Chamber - HB 315

**Importance:** Normal

**Attachments:** 

GreaterNashuaChamber\_HB315.pdf

Please see attached letter in support of HB 315, as amended.

Thank you!

#### **Kate Luczko**

President and CEO Greater Nashua Chamber of Commerce Office: (603) 881-8333 Ext. 222

Cell: (603) 860-6938

\*\*NEW ADDRESS: 60 Main Street, Suite 200, Nashua NH 03060\*\*

www.nashuachamber.com

From: Linton-Keddie, Shelby

**Sent:** Thursday, February 18, 2021 12:16:09 PM **To:** ~House Science Technology and Energy

Subject: EEI Testimony re HB 315

**Importance:** Normal

**Attachments:** 

FINAL\_NH Committee Letter HB 315 Aggregation\_ 2-18-21AB.pdf

Chairman Vose, Vice Chairman Thomas, and the rest of the Committee,

Thank you so much for your time on Friday to allow me to testify in support of HB315. As requested, please find attached a copy of our written testimony, in letter form.

Upon review, if you have any further questions or if there is any way EEI can assist the Committee, please don't hesitate to reach out.

Best,

Shelby Linton-Keddie

# Shelby A. Linton-Keddie, Esq.

Senior Director, State Energy & Regulatory Policy Edison Electric Institute 701 Pennsylvania Avenue, NW Washington, D.C. 20004-2696 202-508-5143 717-666-5127 (mobile) www.eei.org

From: Gamache, Donna M

**Sent:** Tuesday, February 16, 2021 1:06:26 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal **Attachments:** 

HB 315 letter to STE Committee.docx;

Good afternoon Chair Vose and Committee members:

Please find attached a letter with more details concerning our support for HB 315 as a follow-up to our testimony on Friday.

Thank you very much for your consideration.

Donna

# Donna Gamache, Director, Governmental Affairs

780 No. Commercial St | Manchester, NH 03101 | 🖀 : 603-345-0994

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From: Ashley Haseltine

**Sent:** Tuesday, February 16, 2021 11:24:14 AM **To:** ~House Science Technology and Energy

**Subject:** Letter of Support for HB315

**Importance:** Normal

**Attachments:** 

HB315 Support GDL Chamber.pdf

Hello,

Please find attached our letter of support for House Bill 315. I can be reached at the information below for any questions.

Thank you,

Ashley

# Ashley Haseltine

#### **President**

**Greater Derry Londonderry Chamber of Commerce** 

Atkinson | Auburn | Chester | Derry | Hampstead | Londonderry | Sandown | Windham

Adams Memorial Building 29 W Broadway Derry, NH 03038

Office: (603) 432-8205 Cell: (603) 479-7855

gdlchamber.org

From: andrea hodson

**Sent:** Tuesday, February 16, 2021 5:02:41 AM **To:** ~House Science Technology and Energy **Subject:** SB315 : Sample Community Power Plan

**Importance:** Normal

**Attachments:** 

HV CPEAP Warrant Article #8, 2021.pdf

Hello.

I'm sharing our Community Power Electric Aggregation Plan, thinking that it may be helpful to review how we understand the opportunity afforded by the community power legislation (RSA 53-E), and how we would leverage it to advance the Town's Master Plan.

Certainly, one challenge that made this project different from many other Town-wide projects was being able to discuss with others the technical concepts and content of Community Power.

With thanks, Andrea

On Thu, Feb 11, 2021 at 8:41 PM andrea hodson < <u>eacharrisville@gmail.com</u>> wrote:

Hello, I am adding reference to the petition submitted to the Committee, signed by 710 other citizens also opposed to the legislation, for the record. I look forward to the hearing, tomorrow, Andrea

On Thu, Feb 11, 2021 at 2:02 PM andrea hodson < <a href="mailto:eacharrisville@gmail.com">eacharrisville@gmail.com</a>> wrote:

The content of my contribution to the public hearing scheduled for 3pm tomorrow (2/12) is attached, with thanks, Andrea

Andrea Hodson, Member Select Board and Electric Aggregation Committee Town of Harrisville

From: Marc I. Brown

Sent: Monday, February 15, 2021 8:52:57 AM To: ~House Science Technology and Energy

**Subject:** Written Testimony HB 315

**Importance:** Normal

**Attachments:** 

CEA-NH-HB 315 Support.pdf

Dear Committee,

As requested written testimony is attached. Please do not hesitate to contact me if you have any questions.

Best regards,

Marc

Marc Brown **Executive Director Consumer Energy Alliance, New England** PO Box 118 Exeter, NH 03833-2782

M: 603-777-7176

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From: John Minteer

**Sent:** Saturday, February 13, 2021 8:39:45 AM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

<u>I am opposed to HB 315</u>. In light of all the issues of climate change (or global warming), this legislation is a move toward the status quo which has failed us. Innovation and the opportunity to have more efficient means to generate electric power for individuals and communities is essential if we are to have any chance to survive what is happening on this planet.

A vote for HB 315 is a vote for the horse and buggy as new means of transportation are becoming available.

John Minteer

From: Ellms, Christopher

**Sent:** Friday, February 12, 2021 2:28:04 PM **To:** ~House Science Technology and Energy

**Subject:** Governor Sununu letter in support of House Bill 315

**Importance:** Normal

**Attachments:** 

Governor Sununu letter re HB315.pdf

Dear Chairman Vose and members of the Science, Technology and Energy Committee,

Attached, please find a letter from Governor Chris Sununu in support of House Bill 315. I hope you have a nice long weekend.

Best, Chris Ellms

Christopher Ellms Jr. | Legislative Director Office of Governor Christopher T. Sununu (603) 271-8773 | Christopher.Ellms@nh.gov

From: Nick Krakoff

**Sent:** Friday, February 12, 2021 11:35:55 AM **To:** ~House Science Technology and Energy

Subject: HB 315 (relative to the aggregation of electric customers), CLF Comments

**Importance:** Normal

**Attachments:** 

Conservation Law Foundation Comments Re HB 315, 2-12-21 (4844-0648-1884.1).docx;

To Whom It May Concern,

Attached, please find Conservation Law Foundation's written testimony/comments on HB 315.

Best regards,

#### **Nick Krakoff**

Staff Attorney Conservation Law Foundation 27 North Main Street Concord, NH 03301-4930

**P**: 603-369-4787 **E**: nkrakoff@clf.org

For a thriving New England



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From: Ernie Coupe

**Sent:** Friday, February 12, 2021 11:20:38 AM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

Please do not pass this Bill and prevent further strides in solar energy. Think of your children and your grandchildren be selfish and short-sighted. The future of this planet is in your hands. Respectfully,

Ernest Coupe

--

Ernest Coupe President, Sky Systems



A: P.O Box 296, Plymouth, NH 03264

P: 603 770 9609 | E: ecoupe.skysystems@gmail.com

W: www.skysystemsstructures.com

From: Kendra Ford

**Sent:** Friday, February 12, 2021 10:43:21 AM **To:** ~House Science Technology and Energy **Subject:** Regarding HB 172 and HB 315

**Importance:** Normal

**Attachments:** 

This is a bill about preserving the world we love.docx

Thank you for taking my testimony. And thank you for your work. Be well – Rev. Kendra Ford

Sent from Mail for Windows 10

From: Megan Ulin

**Sent:** Friday, February 12, 2021 10:09:03 AM **To:** ~House Science Technology and Energy

Subject: Oppose HB 213 & HB 315

**Importance:** Normal

### Good morning Representatives,

I am writing to voice my strong opposition to two bills, HB 213 and HB 315, which I feel are particularly detrimental to my home state of New Hampshire and to our residents.

The attack to our RPS through HB 213 would have longstanding consequences to renewable energy development, our environment and desirable clean energy jobs, one of which I have been lucky to be employed in for the past 5 years.

NH's current RPS goals of 25% renewables by 2025 lag far behind those of our neighboring states and reducing that goal to 8.8% will further decrease NH's competitiveness in the clean energy future which is crucial to our state, country and planet.

The reduction and elimination of solar, biomass and thermal goals will negatively impact existing projects (including residents, businesses, schools and municipalities that have made investments based on current policy) and discourage new development and private investment that keeps dollars and jobs within our local economy. Please consider these points prepared by CENH that demonstrate the benefits of a strong RPS and the negative impact that would result from the policy changes proposed in HB 213.

# **Specific points on Class 1 thermal class:**

- Revenue from the state's Renewable Portfolio Standards (RPS) class I thermal Renewable Energy Credit (REC) program was an important element of the decision of many entities to invest in clean burning wood heating systems
- Eliminating the class I thermal program will increase annual operating costs and increase the project payback period
- Eliminating class I thermal RECs will cancel income for schools, counties, universities, and nonprofits across NH
- Wood chips and wood pellets that are burned in boiler installations throughout New
  Hampshire all support the local NH economy by keeping fuel dollars in our state. Biomass
  comes from New Hampshire's number one agricultural crop—Trees. Energy experts say
  that while just 22% of all money spent on oil or propane stays in NH, over 90% of all dollars
  spent on biomass fuels stay in New Hampshire by employing our citizens and supporting
  our local businesses
- In order for a biomass boiler system to qualify for the generation of T-RECs, it must meet stringent particulate emissions standards as defined by the NH Renewable Portfolio Standard and enforced by the NH Department of Environmental Services (NHDES)
- NH T-RECs bring in significant repeating annual revenue which was promised by NH legislation; It is set to continue for many years into the future but if HB213 passes, many will lose this important future revenue
- If each T-REC was worth \$20 to a system owner, that means in 2019 owners received \$1.672 million (based on 83,612 T-RECs created according to 2020 REF Report from PUC). And there must have been even more created in 2020

### Specific points to class 2 solar

- A goal of 0.3% solar electricity by 2025 is incredibly low and will discourage new solar development.
- We already have 0.88% of our electricity supplied by solar power (as of 2020 Q3 according to SEIA). This exceeds the 2025 RPS solar goal currently in place.
- In 2019, there was a 0.4794% credit of free solar RECs allocated to suppliers from unregistered RECs. If the compliance goal is 0.3% the free REC credit is larger than the obligation, effectively cancelling out any demand for class 2 solar RECs.
- Many solar projects, including municipal and school projects, were developed based on economic analyses taking into account that NH would continue to have a RPS and a solar REC market. HB213 would seriously negatively affect the economics and pay back of these projects.

# **REF** grant and rebate programs

- HB213 would certainly reduce the available funding in the REF which funds solar and central wood pellet boiler rebate programs, low-moderate income community solar grants, and competitive C&I renewable energy grant programs.
- The grant and rebate programs already see more demand that they can meet, often running out of funding part way in the year. The residential solar rebate program is currently placing applications on a waitlist, for example.
- The REF grant and rebate programs attract private capital investment, encourage the
  development of renewable energy resources where more RECs are needed to meet the
  goals of the RPS, and support local economic activity and the creation of employment in
  the renewable energy industry.

I also encourage you to oppose HB 315 which looks to disempower residents and local communities in favor of monopoly control of the energy sector. This bill undoes the progress made through the Community Power Law which was intended to increase local control and opportunity, by allowing towns and communities to choose their electricity supply (including from local sources) and thus saving money for their communities. Since its passage, the Community Power Law has already contributed increased consumer choice, innovation, competition and cost savings in the energy sector. It encourages the production of local energy which provides benefits for our economy and local jobs. These gains should be protected.

I urge you to vote in opposition to these bills. Thank you for your consideration.

Sincerely,

Megan Ulin Deerfield, NH

From: David Morse

**Sent:** Friday, February 12, 2021 9:26:32 AM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

#### Hello.

I am against HB315 as it has been proposed. Below are some of my specific thoughts.

- 1) Cities control and manage water, let them offer electricity. Cities/towns are NOT suppliers just purchasers.
- 2) This is an opt-out system, no individual will have to participate in a City sponsored program.
- **3) Will impose burdensome regulations** that add costs, waste municipal resources, and make programs unworkable. Any town/city would be a buyer of a product, not the source of that product.
- **4)** Clearly hinders cost savings by diminishing access to competitive energy rates and services that a large customer such as a town might be able to access.
- 5) Would eliminate provisions that include and support house-hold energy production, net metering. This is crazy! The most efficient distribution is when it is made at the point of use. The use of unproductive space (roofs) to make clean electricity is common sense.
- **6) Removes** the provisions that account for & protect ratepayers participating in **low-to-moderate electric assistance programs**. Community power offers lower income households the chance to participate in clean energy when they might not be able to execute a program of their own.
- 7) We trust the City with a lot of our personal data now. Those same safeguards will protect data that is OK for the private sector Electricity distributor to have. I don't see the issue with getting information from the distributors.
- 8) How petty to try to say tax money cannot be spent on this program. It takes City/town employees to do a lot of small tasks to keep the town/city operating, if the local residents don't like it, they will vote about it. Back off about no taxpayer money can be spent! How petty.

David Morse Chemical Engineer 39 Ridgewood Ave Keene, NH 03431 603-209-2614

From: Mike Skelton

**Sent:** Thursday, February 11, 2021 10:16:30 PM **To:** ~House Science Technology and Energy

Cc: grp@rypgranite.com

**Subject:** GMC Support HB315

**Importance:** Normal

**Attachments:** 

GMC Support HB 315.pdf;

Dear Members of the House Science Technology and Energy Committee,

Attached please find the GMC's letter of support for HB315, set to be heard tomorrow afternoon. I have also signed in as supportive of the legislation on behalf of the GMC.

Thank you for your consideration,

Mike Skelton GMC



# Michael Skelton

President & CEO Greater Manchester Chamber

54 Hanover Street, Manchester, NH p. (603) 792-4102 w. www.manchester-chamber.org







From: Mari Brunner

**Sent:** Thursday, February 11, 2021 9:24:24 PM **To:** ~House Science Technology and Energy

Cc: Elizabeth A. Dragon; Jay Kahn; Joe Schapiro; electamandanh@gmail.com; Lawrence

Welkowitz; John Bordenet; Dru Fox; Sparky Von Plinsky; Donovan Fenton; Rhett Lamb; Mayor

George Hansel

**Subject:** Please vote "No" on HB 315

**Importance:** Normal

**Attachments:** 

Letter-to-STE\_HB315\_Mayors.pdf

Dear members of the NH House Science, Technology, and Energy Committee,

Please find attached a letter from Mayor Hansel on behalf ten mayors regarding House Bill 315, relative to the aggregation of electric customers.

Thank you, Mari

#### **Mari Brunner**

Planner, City of Keene Community Development Dept. (603) 352-5440

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From: andrea hodson

**Sent:** Thursday, February 11, 2021 8:41:49 PM **To:** ~House Science Technology and Energy

**Subject:** Re: SB315, 2/12 hearing, Hodson testimony

**Importance:** Normal

**Attachments:** 

HB 315 testmony, Opposed.pdf

Hello, I am adding reference to the petition submitted to the Committee, signed by 710 other citizens also opposed to the legislation, for the record. I look forward to the hearing, tomorrow, Andrea

On Thu, Feb 11, 2021 at 2:02 PM andrea hodson < <u>eacharrisville@gmail.com</u>> wrote:

The content of my contribution to the public hearing scheduled for 3pm tomorrow (2/12) is attached, with thanks, Andrea

Andrea Hodson, Member Select Board and Electric Aggregation Committee Town of Harrisville

From: Angela O'Connor

**Sent:** Thursday, February 11, 2021 4:53:18 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

# Dear Committee Member,

In an effort to be helpful, I wanted to write a quick note to you regarding HB 315, an act relative to the aggregation of electricity customers. I have heard public chatter that passing this bill would destroy communities' abilities to aggregate customers. Considering the fact that the community choice aggregation sections of the bill resembles language we have in Massachusetts which has a thriving CCA program I don't see how that could be the case. While Massachusetts' CCA program is not perfect, having a reasonable amount of regulation doesn't cripple CCA, it enhances it and ensures that customers are protected from unnecessary costs - a very important component. As a former regulator, I hope that you find my comments of help in your deliberations.

Respectfully,

Angela M. O'Connor

From: Kate Horgan

**Sent:** Thursday, February 11, 2021 4:11:56 PM **To:** ~House Science Technology and Energy

**Subject:** NHAC Testimony

**Importance:** Normal

**Attachments:** 

HB 315 NHAC Letter.pdf; HB 213 NHAC Letter.pdf;

Science Technology and Energy Committee Members,

Good afternoon committee members. Attached please find two letters from the NH Association Counties regarding their opposition to HB 315 and HB 213. Please let me know if you have any questions regarding the testimony.

-Kate Horgan

Kathryn Horgan
The Dupont Group
29 School St. | Ste. 200 | Concord, NH 03301
603-228-3322 x111
khorgan@dupontgroup.com



--

From: Henry Herndon

**Sent:** Thursday, February 11, 2021 3:42:08 PM **To:** ~House Science Technology and Energy

Subject: HB 315, Testimony of Henry P. Herndon, Volunteer

**Importance:** Normal

**Attachments:** 

Testimony\_HB315\_HHerndon\_2-11-21.pdf

To the Honorable Chairman Michael Vose and the Members of the NH House Science Technology & Energy Committee,

Please find attached my testimony in opposition to House Bill 315.

Thank you for your careful consideration in this important matter.

Respectfully, Henry P. Herndon

--

Henry P. Herndon ❖ 14 DIXON AVE, SUITE 201, Concord, NH 03301 ❖ (781) 439-2177 ❖ henry@cpcnh.org

From: Samuel Golding

**Sent:** Thursday, February 11, 2021 3:37:17 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 testimony from Community Choice Partners, Inc.

**Importance:** Normal

**Attachments:** 

CCPartners\_NH SB286 Memo to Gov\_17July2019.pdf ato\_Need for Retail Market

Reform\_2017.pdf CPartners\_DE 19-197 Data Platform Direct

Testimony\_17Aug2020.pdf CPartners\_HB315 Testimony\_11Feb2021.pdf

Dear Chairman Vose and Honorable Committee Members:

Attached please find my testimony on HB 315 in PDF format, along with the Attachments to my testimony.

Please don't hesitate to be in touch if you have any questions.

Thank you for your attention to this important matter.

# Samuel Golding

President

Community Choice Partners, Inc.

c: 415.404.5283

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From: Henry Herndon

**Sent:** Thursday, February 11, 2021 3:30:01 PM **To:** ~House Science Technology and Energy

Cc: Andrea Hodson

Subject: Citizens' Petition | NH House ST&E Cmte. | Vote "NO" on House Bill 315

**Importance:** Normal

**Attachments:** 

NH-House-STE\_Citizen-Petition\_No-on-HB315.pdf

To the Honorable Chairman Michael Vose and the Members of the NH House Science Technology & Energy Committee,

Please find attached a citizens' petition respectfully requesting you vote "No" on House Bill 315, relative to aggregation of electric customers.

Over the past thirteen days, this petition has collected signatures from 711 New Hampshire voters and community leaders representing 138 New Hampshire municipalities.

Thank you for your attention in this important matter, and thank you for your service.

Respectfully, Henry P. Herndon

From: Madeleine Mineau

Sent: Thursday, February 11, 2021 2:52:07 PM
To: ~House Science Technology and Energy
Subject: CENH testimony in opposition to HB315

**Importance:** Normal

**Attachments:** 

CENH HB315 Testimony 2\_11\_21.pdf

Please find attached our written testimony in opposition to HB 315. Thank you for your consideration of our input on this important matter.

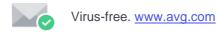
#### Madeleine

--

Madeleine Mineau Executive Director Clean Energy NH (formerly NHSEA)

Cell phone: 607-592-6184





From: andrea hodson

**Sent:** Thursday, February 11, 2021 2:03:17 PM **To:** ~House Science Technology and Energy **Subject:** SB315, 2/12 hearing, Hodson testimony

**Importance:** Normal

**Attachments:** 

HB 315 testimony, Opposed.pdf

The content of my contribution to the public hearing scheduled for 3pm tomorrow (2/12) is attached, with thanks, Andrea

Andrea Hodson, Member Select Board and Electric Aggregation Committee Town of Harrisville

From: Brown, Doria

**Sent:** Thursday, February 11, 2021 1:57:15 PM **To:** ~House Science Technology and Energy

Subject: HB 315 Testimony from City of Nashua Energy Manager

**Importance:** Normal

**Attachments:** 

Doria HB-315 Testimony-Final.pdf;

Please see my testimony in the attached file, In opposition of HB 315.

Best Regards,

# Doria Brown, Energy Manager



City of Nashua – Energy

Phone: 603-589-3265

Email:brownd@nashuanh.gov

From: Shulock, David

**Sent:** Thursday, February 11, 2021 1:48:13 PM **To:** ~House Science Technology and Energy

**Subject:** HB315 PUC Testimony

**Importance:** Normal

**Attachments:** 

HB 315 PUC Testimony(2-11-21).docx

Dear Chairman Vose and members of the committee,

Attached please find the testimony of Amanda O. Noonan on behalf of the Public Utilities Commission on House Bill 315.

Best regards,

**David Shulock** 

#### David J. Shulock

General Counsel
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429
603.271.2431 (phone)
603.271.3878 (fax)

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From: Julia Griffin

**Sent:** Thursday, February 11, 2021 1:16:30 PM **To:** ~House Science Technology and Energy

Cc: Suzanne Prentiss; Mary Hakken-Phillips; James Murphy; Russell Muirhead; Sharon Nordgren

**Subject:** Town of Hanover's Opposition to HB 315

**Importance:** Normal

Dear Chairman Vose and Members of the House Science, Technology and Energy Committee:

On behalf of the Town of Hanover, the Hanover Selectboard, the Hanover Planning Board and the Sustainable Hanover Committee, I respectfully request that the Committee vote "Inexpedient to Legislate" on HB 315 which you will take up in a hearing at 3:00 pm tomorrow afternoon.

Several individuals far better versed in RSA 53-E, the current PUC informal stakeholder discussions regarding the draft proposed rules for implementation of the statute, and the role of Community Power Aggregations around the country and their interface with the incumbent electric utilities, will testify before you tomorrow about why those of us who have worked over the past three years to launch a Community Power Aggregation (CPA) are so strongly opposed to HB 315. I will not belabor all of their points. I will, however, outline for you why **Hanover** has been so heavily involved in the formation of NH's first CPA, the Community Power Coalition of NH.

In May of 2017, Hanover Town Meeting, with over 300 people in attendance, voted unanimously to become a 'Ready for 100' community. In doing so, we committed our community – not just the municipal entity but the entire community – to moving our electricity consumption over to 100% renewably generated electricity by 2030 and renewably generated heating and transportation fuel by 2050. Dartmouth had already adopted a very similar goal just one month prior, in April of 2017. We were the first community in the nation to adopt the Ready for 100 goals via popular vote.

After an 18-month process to complete an Energy Plan to help us reach our 2030 and 2050 goals, we began work on a four-pronged strategy focused initially on our electricity consumption (given the 2030) which consists of the following components:

• Town Must 'Walk the Talk' on RE 100: In order to help lead our Ready for 100 commitment, we recognized that the Town must 'walk the talk' by shifting our own municipal consumption (3 mw) to renewable sources. To date, through a combination of reserving and then accessing capital reserve funds, capital appropriations and Power Purchase Agreements utilizing a New England investor, we have installed rooftop and ground mounted solar arrays totaling 2.8 mw on 6 Town buildings and a parcel of Town-owned land within the watershed of our public water system reservoir complex. Our ground mounted solar array (1.2 mw) fully powers our water filtration facility and will fully power our wastewater facility when the second phase is completed later this summer. We have also invested in our municipal buildings, converting 5 of 7 buildings to air source heat pumps, completed energy audits for each building, re-insulated walls and roofs, replaced windows, updated lighting fixtures to the latest LED technology, replaced almost all of our parking meters with solar pay stations, replaced older traffic signal lamps with LED fixtures and solarpowered crosswalk lighting, and updated our methane recapture system in our wastewater plant so that the methane is utilized to heat the wastewater complex. We have shifted a portion of our fleet to hybrid vehicles and are preparing a bid for the installation of EV charging stations. We are also pursuing purchase of our streetlight system from Liberty, which refuses to update the fixtures with LED technology – so we will fund it ourselves, ultimately saving taxpayers more than \$60,000 per year in electricity costs.

- Help residents and businesses green up their electricity and reduce their electricity consumption: We have rolled out Solarize Hanover and Weatherize Hanover. To date, 250 households have solarized or invested in a new community solar project just installed in Charlestown, NH, totaling 1.2 mw of solar production. Many local homeowners and businesses have done weatherization work, making use of the NH Saves incentive program and teaming up with local EE contractors. Our Planning and Zoning Department is also very busy advising homeowners who are shifting from traditional oil and propane heating to air source heat pumps, managing to keep four installers in the Upper Valley very busy.
- Combine Hanover's larger electricity consumers to lock in long-term, competitive pricing and invest in New England-based renewable energy generation: Our largest electricity consumers Dartmouth, Sheridan Printing, Hypertherm, Creare, CRREL, Kendal at Hanover and the Coop Food Stores are in a position to join the Town and School District to issue an RFP to procure wind energy via a 20 year Power Purchase Agreement. Ideally, we would like to direct our investment toward a New England-based offshore wind farm which is why we were pleased to hear that the Biden Administration just lifted the hold on final review of the Vineyard Wind project off the coast of Martha's Vineyard.
- Help all of our local residents and local businesses purchase renewably-generated electricity if they want to: Hanover knows that many of our residents and local business want to support the production and purchase of renewably-generated electricity. While not all our residents and businesses are willing to pay a premium for green power, many are. Others would simply like to save money on their electricity bills some even hoping that by doing so, they can then redirect their funds into their own energy efficiency improvements. Since 2015, we have tried a number of strategies to move forward on this goal but to no avail. Our strategies have included:
  - Hanover launched a small green power buying cooperative in 2015, utilizing the services of ENH Power to procure a 100% green power product. 384 local residents and businesses joined the cooperative effort. Sadly, after just one year, ENH was sold to a larger Texasbased company which refused to continue the program, arguing that the small size of the cooperative's electricity load prevented them from procuring a quality product at a competitive price.
  - Once the ENH option became unsustainable, Town staff formally requested that Liberty consider rolling out a set of electricity products other than their default mix at the relatively low NH RPS standard specifically a 50% renewables and 100% renewables option. These kinds of mixes mirror the types that consumers and utilities are providing in other states. Liberty refused, citing the lack of an economy of scale in attempting to procure these sorts of mixes with our relatively small total community load of approximately 124. They urged the Town just to go out and buy national RECs to offset our load which is something we already do as New England's first Green Power community.
  - The Town issued an RFP for brokered services to procure our own green power mix options but we had only one bidder. Liberty refused to work with the entity around billing customers for the power consumed, preventing the town from moving forward.
  - As the Town attempted to nail down the data around our total electricity consumption, it took us 6 months and \$15,000 in consulting services to determine just how much electricity our community consumed because Liberty was unable to provide us the information in a timely fashion.

After all of these efforts, the Town recognized that the only way we could move on this priority was by helping to stand up a larger CPA. This became the basis for our involvement in creating the Community Power Coalition. We have worked very closely with the City of Lebanon, City of Nashua, Cheshire County, town of Harrisville, the Monadnock Energy Hub, in-state lawyers and a nationally-recognized specialty law firm in Washington, D.C. over the past 18 months to do just that. Over two dozen other NH communities have expressed interest in joining the Coalition. And we have participated in the PUC informal stakeholder discussions around the draft proposed rules.

And then, without notice from Eversource – with whom we have been participating in the PUC discussions for the past year – HB 315 was introduced. Eversource has indicated that it would make the changes necessary to launch Community Power Aggregation in NH. This is categorically a falsehood. While the bill may make Eversource's life as a monopoly easier, it will NOT benefit NH electricity consumers. In reality, this bill would gut RSA 53-E, further solidify the monopoly stranglehold that the incumbent utilities have over electricity consumers in NH, would prevent us from making progress on our goals to allow electricity consumers to have more choice in their electricity purchases and, quite frankly, undermine the State's apparent interest in supporting job growth and the economic development benefits accruing from the expansion of renewable industry sector in NH, particularly focused on offshore wind. It would prevent us from launching important energy efficiency programs designed to help NH residents reduce their electricity consumption, saving residents and businesses cost and reducing the region's need to invest in costly upgrades to the grid that will translate to even higher utility prices. Please do not vote to consolidate the monopoly power of Eversource, Liberty and Unitil by supporting HB 315. It is a wolf in sheep's clothing and a poison pill.

Julia N. Griffin Town Manager PO Box 483 Hanover, NH 03755 (603) 643-0701 Julia.Griffin@hanovernh.org

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From: Cordell Johnston

**Sent:** Thursday, February 11, 2021 1:13:15 PM **To:** ~House Science Technology and Energy

Subject: HB 315, relative to the aggregation of electric customers

**Importance:** Normal

**Attachments:** 

LTR-HB-315-STE.pdf

## **Dear Committee Members:**

Please see the attached letter regarding HB 315, which is scheduled for a committee hearing tomorrow.

Thank you.

Cordell Johnston Government Affairs Counsel New Hampshire Municipal Association 25 Triangle Park Drive Concord, NH 03301 603-230-3323

From: Emily Manns

**Sent:** Thursday, February 11, 2021 1:07:54 PM **To:** ~House Science Technology and Energy

Subject: Comments of the Peterborough Energy Committee Opposing HB 315

**Importance:** Normal

The Peterborough Energy Committee would like to thank you for the opportunity to participate in this process remotely.

The Peterborough Energy Committee opposes HB 315, because it fails to do what it purportedly sets out to do, fix the Community Power law so that communities like Peterborough can get going on Community Power. HB 315 is not responsive to communities' needs, nor does it provide a working Community Power process.

Peterborough is counting on workable Community Power rules that do not inhibit innovation and creative solutions. We want flexibility, and HB 315 removes flexibility regarding both net metering programs and energy efficiency programs. Towns and cities should be able to consider all types of potentially cost-saving and/or renewable energy options, and include them in their community power program when it makes sense to do so.

HB 315 anticipates and prohibits the very programs we wish to consider, programs with the most potential to reduce energy use; to reduce costs and bills; to reduce demand from the grid, including at peak; to implement resilience measures like a microgrid; to encourage more rooftop solar; and to develop other local assets in creative ways both known and not yet thought of.

In addition, communities need a workable process and rules that include energy-accounting essentials, such as timely and accurate data from the utility, glaringly absent from HB 315.

As an Energy Committee, the PEC brings cost-saving and emissions-reducing opportunities to our town. A sensible Community Power rule would remove barriers for bringing Community Power to our communities, not create them, as HB 315 does.

Please vote no on HB 315.

Sincerely,

Emily Manns, Chair

Peterborough Energy Committee

From: Howard and Joanne Kalet

**Sent:** Thursday, February 11, 2021 1:00:42 PM **To:** ~House Science Technology and Energy **Subject:** Submission for HB 315 on 2/12

Importance: Normal Attachments:

REC - HB 315.pdf

My submissison for HB 315 on 2/12

thank you

**Howard Kalet** 

From: Ann Shedd

**Sent:** Thursday, February 11, 2021 10:35:04 AM **To:** ~House Science Technology and Energy

**Subject:** OPPOSE HB 315

**Importance:** Normal

I am writing as a voter in Keene to urge you to oppose HB 315.

Having served as a member of the City of Keene Conservation Commission and Energy and Climate Committee, I have followed with great interest the opportunities afforded our communities by RSA53-E (adopted in 1996 and expanded with bipartisan support in 2019). Aggregation programs can at minimum offer cost-reduction, particularly for residential and small-business rate-payers, but will have most benefit if other opportunities afforded by the 2019 amendments to RSA53-E remain in place.

For Keene, there is great potential for a community aggregation program to help the City meet its stated goals as set out in <u>Council Resolution R-2018-36</u>, and the City has been actively working toward establishing a program.

The measures included in HB315 would be obstacles to establishment of an aggregation program: obstacles to educating local rate-payers about the program, obstacles to identifying and contacting rate-payers in the community, obstacles to the community's choices in sourcing their electrical supply, obstacles to supporting energy-efficiency endeavors, and obstacles to innovative and ultimately cost-saving technologies.

I urge you to oppose HB 315.

Ann Shedd, 59 Greenwood Ave, Keene, NH 03431

From: esmith@marlboroughnh.org

**Sent:** Thursday, February 11, 2021 10:12:07 AM **To:** ~House Science Technology and Energy

Cc: esmith@marlboroughnh.org
Subject: Community Power

**Importance:** Normal

**Attachments:** 

Community Power Letter.pdf

Please see attached letter.

## Ellen M. Smith CPA

Town Administrator
Town of Marlborough
236 Main Street
PO Box 487
Marlborough, New Hampshire 03455
603-876-3751
esmith@marlboroughnh.org

From: Annie Henry

**Sent:** Thursday, February 11, 2021 10:06:46 AM **To:** ~House Science Technology and Energy

Subject: Public comment on HB 315

**Importance:** Normal

Dear members of the Science, Technology and Energy Committee,

I write to you in regards to HB 315, not only as a professional in the energy sector, but also as a concerned New Hampshire resident of 17 years. HB 315 attempts to undermine a legislation that not only progresses our state's energy sector, but also reflects many foundational values of New Hampshire culture.

As it is written now, the current Community Power Law (RSA 53-E) enables New Hampshire towns and cities to efficiently and cost-effectively take control over their community's energy supply. By allowing them to participate on the whole-sale energy market, this law enables communities to not only choose where their energy comes from, but it also gives them access to the most competitive and affordable energy prices.

In my role as Program Manager at the Monadnock Sustainability Hub, I have come to view this law as an opportunity for the New Hampshire communities I work with to choose more renewable energy sources without raising their energy costs. It is a pathway to achieve their renewable energy goals in a cost-effective, inclusive, and equitable manner. However, some Monadnock towns have different priorities. They view Community Power as an opportunity to reduce municipal and residential energy costs and forward their community's economic development goals. The current law gives communities the control and power to source their energy in accordance to their priorities and goals in an efficient and fairly autonomous manner.

HB 315 undermines the foundation and design of RSA 53-E in such a way that hinders local control and autonomy, making it significantly harder (if not impossible) for communities to implement even the basics of Community Power in a cost effective, timely, autonomous, and inclusive manner.

Of the many problems apparent in this bill, I would like to note two areas that would be particularly damaging to municipal resources, local choice, and free-market competition.

- HB 315 places limits on where electric aggregations can attain certain energy services, making it so that communities must go through utilities or ISO New England programs for demand side management, energy efficiency, and energy conservation services. Placing limits on where electric aggregations can attain necessary services is blatantly anticompetition, anti-choice, and anti-free market.
- HB 315 imposes burdensome regulations that would add costs, waste municipal resources, and make programs unworkable. For example, this bill restricts access to data necessary for electric aggregations to be able negotiate competitive electricity rates and communicate adequately with consumers in their community. It would also subject

energy aggregation plans to an unnecessarily tedious and inefficient approval process that would waste time and resources of both municipalities and the PUC.

In my 17 years of living in New Hampshire, I have observed just how rooted values of local-control, competition, and consumer choice are in our economic and governmental ideals. HB 315 goes against that in favor of what is a preservation of monopoly control at the expense of our local communities.

A vote to pass HB 315 would be a vote to take steps backwards. It would be a vote against local control, local choice, and the free and competitive market. I respectfully and strongly ask you to please vote no on HB 315.

Thank you for your time and consideration.

Respectfully,

Annie Henry Program Manager at the Monadnock Sustainability Hub Resident of Peterborough, New Hampshire

From: Dori Drachman

**Sent:** Thursday, February 11, 2021 8:38:23 AM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

To the Honorable Members of the House Science, Technology, and Energy Committee,

My name is Dori Drachman and I am a resident of the town of Peterborough. I am writing to state my strong opposition to HB 315 and to ask that you recommend it as ITL.

As is true for many of my fellow New Hampshire neighbors, I greatly appreciate that our state values giving towns local control over many decisions that affect their residents. RSA 53E, the Community Power law, gives towns like Peterborough the ability to choose where we buy our energy, how much we pay for it, and the type of energy we use. On the Peterborough ballot this spring is a warrant article that would commit the town to transition to 100% renewable energy. We are optimistic that it will pass. If it does, Community Power will be a critical tool to achieve this goal because it will allow the town to compete in the wholesale energy market and find energy producers that are both economically competitive and environmentally sustainable. Community Power would also spur the creation of local energy businesses because they would be able to sell their energy to the town. These businesses, in turn, would create local jobs and keep local dollars in the community.

While some on the Committee might not support Peterborough's goal of transitioning to renewables, I believe that all the members of the STE Committee would agree that the residents of Peterborough should be able to choose our own energy path and to control how our energy dollars are spent. HB 315 would impose crippling and unnecessary bureaucratic hurdles by requiring that Peterborough go through a long PUC approval process for its energy plan. The bill would also make it impossible for the town to contract with local energy suppliers, thereby stifling innovation and the creation of good-paying local jobs. This bill would impede Peterborough's control over our energy future in order to preserve the power of the utility's monopoly. This is not what New Hampshire stands for.

Respectfully submitted,

Dori Drachman

P.S. When I registered for the hearing on HB 315, I mistakenly said that I represented the Peterborough Energy Committee and the Monadnock Sustainability Hub. While I am active in both of these groups, my comments represent myself. I also indicated that I would like to speak at the public hearing, but

\_\_

Peterborough Energy Action, 100% Renewable Campaign www.peterboroughenergyaction.org

Monadnock Sustainability Hub https://monadnocksustainabilityhub.org

Peterborough Energy Committee

https://sites.google.com/site/peterboroughenergycommittee

From: Karen Geiling

**Sent:** Thursday, February 11, 2021 7:57:08 AM **To:** ~House Science Technology and Energy

**Subject:** HB315 **Importance:** Normal

Dear Representatives:

Please vote NO on HB 315. If the bill passes it would basically undo RSA 53-E. The purpose of RSA 53-E is to:

- \*"provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy suppliers..."\*
- \*"to provide such customers access to competitive markets for supplies of electricity and related services..."\*

\*"to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities."\*

HB 315 \*undermines\* the purpose of RSA 53-E by:

- 1. Eliminating Community Power authority to provide electric power supply and related customer service, load management and energy conservation;
- 2. Restricting energy services available to Community Power to only monopolistic and regulated ones;
- 3. Removing Community Power access to data necessary for program implementation;
- 4. Subjecting Community Power to regulation by the Public Utilities Commission.

Community Power aims to harness competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to our cities and towns. But those benefits will never be realized if HB 315 doesn't becomes law. Community Power represents a "New Hampshire Way" forward on energy issues, one that chooses markets over mandates; local control over monopoly control; and innovation over regulation. Please do not allow this attack on Community Power to take away our local authorities.

Thank You, Karen Geiling Hanover, NH

From: Janice Ireland

Sent: Wednesday, February 10, 2021 6:06:10 PM To: ~House Science Technology and Energy Subject: Letters from the Town of Rye

**Importance:** Normal

**Attachments:** 

Letter - HB213.pdf Letter - HB 315.pdf

## Good evening,

Please find attached letters for your committee from the Town of Rye Select Board, Energy Committee and State Representative regarding HB213 & HB315.

Thank you,

Janice Ireland Selectmen's Executive Assistant 10 Central Road Rye, NH 03870 (603) 964-5523 (603) 964-1516 – Fax jireland2@ryenh.us

From: Cliff Sinnott

**Sent:** Wednesday, February 10, 2021 5:03:14 PM **To:** ~House Science Technology and Energy

**Subject:** Letter opposing HB315

**Importance:** Normal

Attachments: Letter HB315 Sinnott.pdf ;

Please see attached letter stating my opposition to passing HB315 as written. I am unable to attend the hearing on Friday but would like this letter submitted as testimony.

Thank you for your consideration.

Cliff Sinnott Exeter

From: Jennifer Foor

**Sent:** Wednesday, February 10, 2021 2:03:31 PM **To:** ~House Science Technology and Energy

**Cc:** Carrie Morris

Subject: FW: Testimony for HB 315

**Response requested:** No **Importance:** Normal

From: HCS < HCS@leg.state.nh.us>

Sent: Wednesday, February 10, 2021 2:02 PM

To: Carrie Morris <carrie.morris@leg.state.nh.us>; Jennifer Foor <Jennifer.Foor@leg.state.nh.us>

**Subject:** FW: Testimony for HB 315

**From:** Phillip Stephenson < <a href="mailto:phillip.stephenson@gmail.com">phillip.stephenson@gmail.com</a>>

Sent: Wednesday, February 10, 2021 1:21 PM

To: HCS < HCS@leg.state.nh.us > Subject: Testimony for HB 315

Hello,

I scheduled to testify on HB 315 this Friday. In anticipation, I am submitting the below written testimony. Please let me know if there is anything else I need to do to ensure this written testimony is shared with the legislators and on the public record.

Best, Phillip

## **Testimony**:

My name is Phillip Stephenson, and I am a Hollis, New Hampshire resident. I work in the energy industry and have for most of my career, and my education consists of a BA in Economics and an MBA. In 2019 the New Hampshire legislature and governor passed the bipartisan Community Power Law that advanced New Hampshire to the forefront of electrical system deregulation in the United States.

# Only Monopoly Where It Is Absolutely Necessary

The Community Power Law removed the monopoly on those energy system functions that are not a "natural monopoly" and returned them to local communities. That is important because monopolies are almost always a bad thing for customers. Monopoly utilities are first and foremost beholden to their shareholders. Their incentives are to maximize profit for their shareholders. In competitive markets, this is almost always a good thing because it means a company is competing on quality or price to win customers. Not so when there is a monopoly. No matter the quality or the price, we must be their customers or live in the dark. We only have the public utility commission to watch over and limit the most blatant and obvious abuse. Unlike in the private sector, monopolies do not innovate. They do not try to save their customers money by constantly

working to increase productivity or lower cost. They are not relentlessly working to improve their products and delight their customers. To the extent that they do these things it is necessarily secondary and without the benefit of market competition to drive the real improvements we experience from competitive markets.

We have only allowed monopolies to exist in our market economy when they are justified as having a "natural monopoly" and we then tightly regulate them to limit potential abuses. Utilities have historically been understood to be "natural" monopolies because it did not make sense to have multiple electrical grids and centralized power plants. However, the world has changed since these monopolies were set up and the only aspect of the modern grid that is a "natural monopoly" anymore is the transmission and distribution infrastructure, often referred to as "the poles and wires." Every single remaining aspect of services provided by our electrical monopolies would serve us better with more choice and more competition. The 2019 Community Power did something unambiguously good; it removed monopoly power where it provided no benefit and only harm to New Hampshire citizen ratepayers.

## The Benefits of Less Monopoly

By giving local communities the option but not the obligation to take over the aspects of electrical power supply that are not a "natural monopoly," we realize a myriad of benefits:

#### • Choice –

- o Local communities decide from where and what kind of power they buy. They can choose local power that brings economic development or more renewable energy to reduce pollution.
- o Local communities can choose to set up programs that match the local communities' priorities, such as targeted energy efficiency programs that lower electric bills or tax bills when applied to public buildings.
- o Local communities can also choose not take advantage of this opportunity and simply continue to use the default service they receive now. The difference is now they will have a real choice.
- o Since individuals can opt out, every citizen ratepayer gains options but loses nothing.
- <u>Aggregation</u> The bigger the buyer the better deal they get. This is true across the economy, and it is the reason that many small buyers often band together to buy in bulk. The Community Power Law allows communities to negotiate on behalf of their citizens and get them a better deal than they ever have as an individual ratepayer. This is an unequivocal benefit.

I moved to New Hampshire a year and a half ago and was impressed to learn about the newly passed Community Power Law, bipartisan, smart legislation that was putting energy innovation at the forefront in New Hampshire. HB 315 would destroy that. The rest of the country right now is mostly divided into states where on one end the monopoly utilities do as they please and on the other state legislators are making all the decisions. In 2019, New Hampshire carved its own innovative path of bringing the power (pun intended) back to the local level. Please do not undo this progress. Please support Community Power and vote down HB 315.

From: HCS

Sent: Wednesday, February 10, 2021 2:02:10 PM

**To:** Carrie Morris; Jennifer Foor **Subject:** FW: Testimony for HB 315

**Response requested:** No **Importance:** Normal

From: Phillip Stephenson <phillip.stephenson@gmail.com>

Sent: Wednesday, February 10, 2021 1:21 PM

**To:** HCS <HCS@leg.state.nh.us> **Subject:** Testimony for HB 315

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#### Only Monopoly Where It Is Absolutely Necessary

The Community Power Law removed the monopoly on those energy system functions that are not a "natural monopoly" and returned them to local communities. That is important because monopolies are almost always a bad thing for customers. Monopoly utilities are first and foremost beholden to their shareholders. Their incentives are to maximize profit for their shareholders. In competitive markets, this is almost always a good thing because it means a company is competing on quality or price to win customers. Not so when there is a monopoly. No matter the quality or the price, we must be their customers or live in the dark. We only have the public utility commission to watch over and limit the most blatant and obvious abuse. Unlike in the private sector, monopolies do not innovate. They do not try to save their customers money by constantly working to increase productivity or lower cost. They are not relentlessly working to improve their products and delight their customers. To the extent that they do these things it is necessarily secondary and without the benefit of market competition to drive the real improvements we experience from competitive markets.

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have multiple electrical grids and centralized power plants. However, the world has changed since these monopolies were set up and the only aspect of the modern grid that is a "natural monopoly" anymore is the transmission and distribution infrastructure, often referred to as "the poles and wires." Every single remaining aspect of services provided by our electrical monopolies would serve us better with more choice and more competition. The 2019 Community Power did something unambiguously good; it removed monopoly power where it provided no benefit and only harm to New Hampshire citizen ratepayers.

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- o Local communities can choose to set up programs that match the local communities' priorities, such as targeted energy efficiency programs that lower electric bills or tax bills when applied to public buildings.
- o Local communities can also choose not take advantage of this opportunity and simply continue to use the default service they receive now. The difference is now they will have a real choice.
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I moved to New Hampshire a year and a half ago and was impressed to learn about the newly passed Community Power Law, bipartisan, smart legislation that was putting energy innovation at the forefront in New Hampshire. HB 315 would destroy that. The rest of the country right now is mostly divided into states where on one end the monopoly utilities do as they please and on the other state legislators are making all the decisions. In 2019, New Hampshire carved its own innovative path of bringing the power (pun intended) back to the local level. Please do not undo this progress. Please support Community Power and vote down HB 315.

From: Jo-Ellen Courtney

**Sent:** Wednesday, February 10, 2021 1:36:59 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal **Attachments:** 

Letter to oppose HB 315.docx

Dear Representative Vose and Honorable Members of the NH House Science Technology & Energy Committee:

The Enfield Energy Committee submits this letter in strong opposition to HB 315.

In October 2019, RSA 53-E <u>Aggregation of Electric Customers by Municipalities and Counties</u> was signed into law by Governor Sununu. Later that month, the Enfield Select Board authorized a subcommittee to work on developing a community power aggregation plan for the Town of Enfield. We are excited to work with other communities in developing a plan to encourage local control and stimulate local energy solutions.

HB 315 would greatly impact our ability to aggregate our electric power as currently allowed with RSA 53-E. HB 315 would limit competition and choice in electricity suppliers.

It is wrong for legislators to adopt a policy to undercut the existing law and to hinder opportunities and choices for municipalities and counties to purchase their supply of electricity.

We ask you to consider the implications of the passage of HB 315 and urge your opposition to this bill.

Respectfully,
Jo-Ellen Courtney, Chair
Enfield Energy Committee

From: Kreis, Donald

**Sent:** Wednesday, February 10, 2021 12:59:54 PM **To:** ~House Science Technology and Energy

**Subject:** House Bill 315 **Importance:** Normal

**Attachments:** 

algonquin opinion 2018.pdf 18 315 testimony 210212.pdf

Dear Chairman Vose and Honorable Committee Members:

Attached is my written testimony on House Bill 315, which, as you know, is scheduled for hearing on Friday afternoon. I also attach an opinion of the New Hampshire Supreme Court referenced in my testimony.

I hope to have the opportunity to speak briefly at Friday's hearing and to answer any questions you may have for me concerning this proposal. Please do not hesitate to contact me in the meantime if I can be helpful.

Sincerely, Don

Donald M. Kreis Consumer Advocate Office of the Consumer Advocate 21 South Fruit Street, Suite 18 Concord, New Hampshire 03301 603.271.1174 (direct line)

From: Kyle McAdam

**Sent:** Wednesday, February 10, 2021 12:26:04 PM

To: ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

Dear Members of the House Science, Technology and Energy Committee,

I am writing to you today to ask you to vote against HB 315 relative to the aggregation of electric customers. HB 315 would revoke the ability of towns or cities to save on energy costs, increase resilience, and generate more renewable energy for their residents.

Towns and cities should have the ability to group citizens together to encourage utility companies to reduce energy costs by a fear of losing large amounts of customers. Towns and cities should also have the ability to encourage utility companies to generate more renewable energy for their citizens.

HB 315 would prevent towns and cities from helping their residents to save money and use more renewable energy to help lessen the consequences of climate change. I ask that you vote against HB 315 and continue to allow cities and towns to help their citizens save more and to use more renewable energy.

Thank you, Sincerely, Kyle McAdam

From: Hitzrot, Lewis H.

**Sent:** Tuesday, February 9, 2021 10:21:35 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

To: The NH House Committee on Science, Technology and Energy

The statement of purpose that begins RSA 53-E reads: "The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities". Clearly the intent of 53-E is to give NH communities greater autonomy over the management of their electrical power needs. 53-E goes on to state specific services an aggregation program could provide for the community it serves. HB 315 strips a Community Power Aggregation (CPA) of the ability to provide all of those services except power procurement. Further HB 315 imposes numerous unnecessary conditions that would make the formation of a CPA more difficult and less cost effective. In effect, HB 315 discourages "voluntary, cost effective and innovative solutions to local needs" ensuring that NH communities will be denied the ability to implement energy programs best suited to their needs.

Respectfully,

Lewis H Hitzrot

185 High St.

Exeter, NH 03833

From: Susan Richman

**Sent:** Tuesday, February 9, 2021 8:18:37 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315: Relative to the Aggregation of Electric Customers

**Importance:** Normal

Dear Chairman Vose and Members of the House Science, Technology and Energy Committee,

Thank you for accepting this testimony in opposition to HB 315, Relative to the Aggregation of Electric Customers.

We in New Hampshire are fortunate to have our own special culture, "the New Hampshire way." What does the New Hampshire way mean? *Ingenuity, self-reliance, local control, frugality, community, loving the land.* 

These values are all under attack, with the introduction of House Bill 315.

Last year Governor Sununu championed the Community Power Law, allowing cities and towns to choose where their electricity comes from. Here was "the New Hampshire way."

Community Power promotes Yankee *ingenuity*: Nashua would create power from its multiple hydro-electric dams; Lebanon would turn landfill gas into energy. Communities deciding for themselves how to meet their electricity needs? That's *local control* and *self-reliance*! As technologies advance, each town or city could determine the services they want to offer their citizens – and *get the best price* possible.

Speaking of price, what NH municipality would ignore savings of \$\$\$ on power bills? Those reduced rates wouldn't just be for town operations; that reduced-price power would be available for all their citizens. *Citizens would decide together* how they want their Community Power plan to work. And as more communities opt for renewable energy sources, we protect our precious *environment*.

Will the Community Power our governor endorsed turn out to be a short-lived dream? One of our enormous utility companies, Eversource, requested HB 315, requiring all NH to get their power only from traditional utility companies. That certainly would serve their interests. And then we would continue to send \$4 Billion annually out of New Hampshire, to purchase out-of-state fuel. We all learned about King George's insistence that the 13 colonies only buy their tea from England. This would be the same kind of monopoly. How would any New Hampshire citizen or municipality benefit from granting Eversource their monopoly wish?

Community power promotes our New Hampshire values -- local control, local resources, local jobs, local savings. I urge you to find HB 315 *Inexpedient to Legislate*.

Thank you for protecting our resources and our rights.

Susan Richman 16 Cowell Drive Durham, NH 03824 603-868-2758

From: Joanna Sharf

**Sent:** Tuesday, February 9, 2021 7:35:27 PM **To:** ~House Science Technology and Energy

**Subject:** Please oppose HB 315

**Importance:** Normal

Dear House Science, Technology & Energy Committee Members,

Ever since Governor Sununu signed the amended RSA 53-E into law in 2019, the Cornish Energy Committee has been interested in having our town procure its own electricity under the powers of Community Power Aggregation (CPA). On September 11, 2020, we took the first step in the process by having our Select Board appoint our Energy Committee as the Cornish Electric Aggregation Committee.

We, the undersigned Cornish Energy & Electric Aggregation Committee members, urge you to oppose HB315, as it would effectively destroy our ability to take advantage of all the benefits of Community Power Aggregation.

Please don't remove the one real chance our town and other NH towns have to take control of our energy decisions and achieve a cleaner, more sustainable future for this world.

Under RSA 53-E, Community Power Aggregation supports:

- 1. Local control & democratization in purchasing energy & choosing energy sources
- 2. Independence for towns with regard to energy supply & management
- 2. Obtaining lowest energy prices for our residents & businesses
- 3. Purchasing or building renewable sources of electricity
- 4. Creating incentives for residents to use or install renewable energy
- 5. Adopting innovative energy saving technology like battery storage
- 6. Developing energy resilience for our town to survive emergencies

#### HB315 would:

- 1. Impose burdensome administrative and regulatory requirements that would cost towns money and time
- 2. Require towns to hire 3rd parties for certain functions, thereby limiting local control and increasing costs
- 3. Limit a town's ability to obtain critical data, such as customer data and current addresses, essentially paralyzing the CPA from the get-go
- 4. Prevent CPAs from providing their own electric power supply (such as from solar arrays), and prevent them from providing load management and energy conservation.

It is clear to us that the intent of HB315 is to seriously restrict the freedom and financial solvency of CPAs, effectively rendering them unable to succeed.

Please support the ability of CPAs to function efficiently, creatively and effectively. Please vote NO on HB315.

Thank you for your consideration.

Sincerely,

The Cornish Energy & Electric Aggregation Committee:
Nancy Wightman
Dan Poor
Richard Thompson
Doug Heaton
Dick Gendron
Bill Cable
Joanna Sharf, Chair

From: Carol Sullivan

**Sent:** Tuesday, February 9, 2021 2:20:17 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

To the Honorable Members of the NH House of Representatives Science, Technology and Energy Committee:

Please vote NO on HB 315. I have been the Chair of the Center Harbor Energy Committee for over two years. Center Harbor is a municipal member of Clean Energy New Hampshire and Local Energy Solutions, along with many of the towns who are part of the Community Power Aggregation Coalition. We have followed their efforts in making Community Power a choice for towns, counties, residents and businesses of New Hampshire. We were happy when the Community Power Law RSA 53-E was passed. Although Center Harbor is not an early adopter due to our small size and excellent relationship with New Hampshire Electric Cooperative, we hope the Coalition succeeds. Their efforts are a pathway to greater community control of their destinies and a way to stop being at the mercy of out of state monopolies.

The Community Power Coalition towns are giving their residents and businesses a choice, not forcing them to adopt Community Power aggregation. But HB 315 will force all of New Hampshire to do things the Monopolistic way and give up on a new, creative initiative.

Carol Sullivan Center Harbor

From: Mary Beth Raven

**Sent:** Tuesday, February 9, 2021 2:05:28 PM **To:** ~House Science Technology and Energy

Subject: A few thoughts on HB 315 - the Monopoly Protection Act

**Importance:** Normal

Dear committee members.

I am concerned that HB 315 - the Monopoly Protection Act- undermines our security.

After 9/11, the United States recognized that our energy infrastructure could easily be a target for terrorist activity. NH relies on energy sources outside of the state – such as natural gas and coal. The American Council on Renewable Energy (ACORE) promotes secure, local sources of energy. They state that decentralized generation improves electricity supply security.

(source: <a href="https://acore.org/wp-content/uploads/2018/10/ACORE\_Issue-Brief\_-The-Role-of-Renewable-Energy-in-National-Security.pdf">https://acore.org/wp-content/uploads/2018/10/ACORE\_Issue-Brief\_-The-Role-of-Renewable-Energy-in-National-Security.pdf</a>)

NH should focus on local community power not only because they are less of a terrorist target, but also because being local means we have to worry less about interruptions in the supply chain — such as winter storms. For example, we remember the Polar Vortex of January 2014. During that, wind power in the Mid-Atlantic and Great Lakes regions performed well and benefited ratepayers, while many conventional power plants failed (E.g. coal facilities had to be taken offline for frozen coal) due to the extremely cold weather

There are several characteristics of renewable, local, energy that make them particularly valuable from a security perspective. They include\*:

- 1. **Zero Reliance on Global Fuel Supply**. Community energy sources are not dependent on global marketplaces that can be vulnerable to volatile price spikes or unexpected changes to fuel availability
- 2. **Free and Inexhaustible Fuel**. Community solar or hydro electricity relies on naturally occurring, free and selfreplenishing sources of fuel such as sunlight, wind, the earth's heat or the kinetic energy of a flowing river. While some of these fuel sources can vary temporally, they are steady over annual periods, and advanced modeling can accurately predict their availability.
- 3. **Smaller, Decentralized Power Generation**. Large centralized power facilities present an important national security vulnerability. Community energy can be economically deployed in much smaller units. Utility-scale wind and solar can be economically built in electrical capacities varying from one megawatt (MW) to over a gigawatt (GW). Given the logistical challenges of constructing expensive centralized generation facilities and fuel pipelines for coal and nuclear plants, the complexities of waste disposal and the practical challenges of siting new facilities, there is a tremendous incentive to build these plants as large as possible and then to transport and distribute energy long distances from these centralized power plants.
- 4. **A Bountiful Resource Available at Point of Use**. NH is blessed with rivers that can generate community hydro (such as in Nashua), and sunny fields for community solar (Such as in Lebanon)

Community power reflects New Hampshire's "Live Free or Die" values – we do not want to be reliant on fuel imported from out of state.

Please reject HB 315.

Mary Beth Raven, Ph. D. 9 Four Winds Rd Merrimack, NH 03054 603-620-0670 --

Mary Beth

From: Bruce Berk

**Sent:** Tuesday, February 9, 2021 11:09:13 AM **To:** ~House Science Technology and Energy

**Subject:** Oppose HB 315 **Importance:** Normal

Good morning,

Briefly, this is a bad bill for NH.

It promotes centralized control over local control.

It will negatively impact local innovation which means a loss of local jobs.

It will eliminate the opportunity for low income families to participate.

Feels like Eversource, and not other electric companies support this bill.

respectfully,

Bruce Berk 40 Range Road Pittsfield, NH

From: Barbara Southard

**Sent:** Tuesday, February 9, 2021 10:59:47 AM **To:** ~House Science Technology and Energy

Subject: NH House Remote Testify: 9:00 am - HB172 in House Science, Technology and Energy

**Importance:** Normal

# **Testimony Against Amendments to HB 315**

Barbara Southard, 506 Rowe Mountain Rd., Bradford, NH 03221

I am opposed to the amendments put forth in this bill.

Allowing municipalities to join together to lower costs of electricity while providing local, greener energy sources is a fantastic approach that will help us solve this climate crisis. As a mother and grandmother this is very important to me. I want our children and grandchildren to inherit a beautiful earth where they can survive and thrive.

The amendment that would require municipalities to notify consumers by mail is simply impractical and not necessary. Allowing consumers to opt out is a much better way to go, one that will save time, energy, and money. The same could be said for requiring the Public Utilities Commission to approve changes in these programs.

In short, HB 315 would make it almost impossible for municipalities to run community power programs.

Please vote 'No' on this amendment.

Thank you for allowing me to add my voice.

Sent from my iPad

From: Reb MacKenzie

**Sent:** Tuesday, February 9, 2021 10:49:50 AM **To:** ~House Science Technology and Energy

Subject: Testimony to Oppose HB 315 that eviscerates Community Power

**Importance:** Normal

**Attachments:** 

Letter opposing HB 315. Undermining Community Power. 2.5.21.doc

Dear Science, Technology and Energy Committee Representatives,

Please see the attached and/or embedded letter regarding my opposition to HB 315. The hearing will be on Friday. I plan to give testimony why this bill is an unnecessary conflagration of community choice through eviscerating the Community Power option with HB 315. I hope it is given the status of ITL. It is an attempt to slash and burn our right to choice in a free market given to our municipalities and counties by RSA 53-E. HB 315 would make RSA 53-E so regulated it would be impossible to derive the original benefits intended for municipalities and counties by RSA 53-E. Though I am a member of Claremont's Energy Advisory Committee, I am not acting on the Committee's behalf. We need to be able to choose the electricity sources that our constituents feel best meet their needs without the encumbrance of unnecessary legislation. Please oppose this HB 315.

Rebecca B. MacKenzie, LICSW
7 Glenwood Drive, Claremont, New Hampshire 03743
(603) 504-2851 reb178@myfairpoint.net

Science, Technology, and Energy Committee Re: **Opposition to HB 315** February 5, 2021

Dear Members of the Science, Technology, and Energy Committee:

I am opposed to HB 315, which "revises the procedures applicable to municipal or county aggregators and municipal electric utilities for the aggregation of energy services."

In 2019, the NH statute for the "Aggregation of Electric Customers by Municipalities and Counties" was signed into law. This gave municipalities and counties the ability to pool their buying power and choose for themselves what sources of electric power they want.

This new law is also known as "Community Power" because it gives power to the people in the community to choose for themselves what they invest in as an electric power source and the aligned services. Do they go with the same old electric utility that they've purchased their power from in the past or go with the Community Power option that has the possibility of choosing an energy source that is less expensive and/or drawn from clean energy sources that lowers their carbon footprint and addresses the climate crisis?

reports that over the last 10 years, solar technology The Solar Energy Industries Association has decreased in price over 70 percent. Additionally, many municipalities and counties have energy policies that support upgrading their energy systems, decreasing their carbon emissions by making clean energy choices and increasing energy efficiency. These trends make Community Power an easy economic and environmentally resilient choice over the energy sources of the past.

HB 315 undermines the authority of communities to choose energy sources and related customer service, load management and energy conservation; restricts energy services that could be available through Community Power to utilities that are monopolistic; removes Community Power access to data necessary for program implementation; and subjects Community Power to unnecessary regulation by the Public Utilities Commission. HB 315 would eliminate benefits of Community Power, restricting its viability and the right of municipalities and counties to come together to govern their communities and act in their best interest.

The Community Power Coalition of New Hampshire is a public power non-profit to assist municipalities and counties who wish to work together to achieve their energy goals through civic engagement, public education and technical assistance. This Coalition opposes HB 315 due to its deleterious effects on the implementation of Community Power. The original intention of the electric aggregation law was to give communities more ability to improve their electric systems economically and environmentally. This bill strikes at the heart of this intention.

Please oppose HB 315 so municipalities and counties in NH can decide for themselves whether they want to join the Community Power Coalition, or hire another free market business to help optimize their energy choices.

| Sincerely,                         |  |
|------------------------------------|--|
| Rebecca MacKenzie<br>Claremont, NH |  |

https://www.seia.org/solar-industry-research-data#:~:text=Growth%20in%20Solar%20is% 20Led, history % 20across % 20all % 20market % 20segments.

From: Marge Shepardson

**Sent:** Monday, February 8, 2021 3:21:45 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 testimony

**Importance:** Normal

**Attachments:** 

HB 315 community power.docx

To the members of ST&E:

Attached please find my written testimony in opposition to HB 315 regarding Community Power.

Marge Shepardson

From: Cheri Domina

**Sent:** Sunday, February 7, 2021 4:24:28 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

## Greetings;

I'm writing to oppose House Bill 315, which will amend the 2019 Community Power Law, gutting its important provisions, and keeping NH energy a monopoly.

I am excited about Keene's community power plans, and recently attended a Zoom call intended to inform Swanzey officials about opportunities for our town. HB315 would crush any opportunities for community power, hampering local control.

As an owner of a solar power array since 2019, I would love to see this technology more widely available for our municipalities, businesses, farms and residents, and I am tired of the way this state has made alternative energy choices more difficult instead of more affordable. It's time to get on the right side of history and start leading in alternative energy generation and local community power.

If we all get behind the Community Power Law, we can save money, create jobs, use cleaner energy and be proud of accomplishing something together, locally. Please vote AGAINST House Bill 315.

Thank you! Cheri Domina

--

Cheri Domina 227 Swanzey Lake Road Swanzey, NH 03446 (207) 930-9730 cheri.domina@gmail.com

From: Paul Hodes

**Sent:** Sunday, February 7, 2021 12:53:51 PM **To:** ~House Science Technology and Energy

Subject: Recent CNN articles for your consideration

**Importance:** Normal

Dear Honorable Science and Technology committee members,

Following up on my recent email, I came across this

article: <a href="https://www.cnn.com/2020/05/28/business/coal-renewable-energy-solar-wind/index.html">https://www.cnn.com/2020/05/28/business/coal-renewable-energy-solar-wind/index.html</a> It contains important information about energy consumption in the United States. Although Natural gas is seen as a "bridge fuel", there should be no impediments to communities choosing renewable energy such as those impediments represented by HB 315 which undermines the community solar power initiative. Natural gas is a fossil fuel, the production and consumption of which do not represent what your constituents want nor what the State, Country and planet need. I urge you, irrespective of party or ideology, to become leaders in the rapid move to clean, renewable energy. If Europe can do it, why can't

we? <a href="https://www.cnn.com/2021/01/24/business/eu-renewable-energy-fossil-fuels/index.html">https://www.cnn.com/2021/01/24/business/eu-renewable-energy-fossil-fuels/index.html</a>. New Hampshire's energy costs are high. Support for renewable energy is smart business and smart politics.

Yours,

Hon. Paul W. Hodes (NH 02, 2007-2011) 14 Knight Street #3 Concord, NH 03301 603-496-2693

From: Paul Hodes

**Sent:** Saturday, February 6, 2021 4:51:44 PM **To:** ~House Science Technology and Energy

**Subject:** Opposition to HB 315

**Importance:** Normal

Dear Honorable Science & Technology Committee Members:

New Hampshire is behind in its deployment of clean, renewable solar energy. The Community Power Coalition is working to make it easier for communities to go solar. HB 315 would obstruct and impede progress in allowing communities to purchase and distribute solar power. The citizens of New Hampshire need less expensive, less polluting renewable energy. This bill does not represent the best interests of your constituents. PLEASE OPPOSE HB 315. Thank you. Hon. Paul Hodes (NH 02, 2007-2011)

From: James Contois

**Sent:** Saturday, February 6, 2021 3:43:01 PM **To:** ~House Science Technology and Energy

Subject: energy aggregation, HB 315

**Importance:** Normal

Claremont, NH needs revenue saving legislation. As an elected councilor I am opposed to the legislation proposed in HB 315.

--

Jim Contois Councilor, Ward II Claremont, NH 03743 603-504-8379

From: peterhansel61@twc.com

**Sent:** Friday, February 5, 2021 6:08:35 PM

To: ~House Science Technology and Energy Subject: Attached letter re: House Bill 315, Relative to Aggregation of Electric Consumers

**Importance:** Normal

**Attachments:** 

letter re HB 315.docx

From: Will Sheehan

**Sent:** Friday, February 5, 2021 9:39:27 AM **To:** ~House Science Technology and Energy

**Subject:** Opposition to bill HB 315

**Importance:** Normal

I respectfully want to express my opposition to bill HB 315 as a tax paying NH resident.

Small local governments need to be able to act in the best interest of the world and collectively standing up for what is our residents want (and what it right by the world re climate change). The utilities companies rights do not supersede the rights of residents! I have do assume that the rationale for this bill is one of two things

- 1) Incompetent and heavy handed legislation that is woefully misguided in its goals
- 2) Utility companies have lobbied the state to push forward this bill

In either case I vehemently reject the purported goals of this bill. NH needs to start serving its residents not monopolistic companies

Sincerely, ~Will

From: Terry Clark

**Sent:** Thursday, February 4, 2021 5:01:37 PM **To:** ~House Science Technology and Energy

**Subject:** Testimony opposing HB315

**Importance:** Normal

**Attachments:** 

HB315 Opposition Letter.pdf

Cheshire County NH: The content of this email is confidential and intended for the recipient specified in the message only. It is strictly forbidden to share any part of this message with any third party without a written consent of the sender. If you received this message by mistake, reply to this message and follow with its deletion.

From: Steve Halleran

**Sent:** Thursday, February 4, 2021 11:53:54 AM **To:** ~House Science Technology and Energy

Cc: Lee Oxenham; Brad Atwater; Ron Eberhardt; 'Steve' Subject: Please Vote Inexpedient to Legislate on HB 315

**Importance:** Normal

**Attachments:** 

Town of Plainfield Testimony on HB 315 - Version 3.pdf

House Science Technology and Energy Committee:

Attached is testimony from Town of Plainfield officials concerning HB 315.

Thank you in advance for considering our concerns as part of your legislative review.

Stephen Halleran Town Administrator (603) 469-3201

From: Lianne Moccia

**Sent:** Thursday, February 4, 2021 6:58:14 AM **To:** ~House Science Technology and Energy

**Subject:** Oppose HB 315 **Importance:** Normal

I write to urge you to vote NO on HB 315. In NH we can substantially benefit by creating community power entities to bring affordable, reliable and sustainable sources of energy to our towns and our citizens. HB 315 would prevent the viability of these community power projects.

Please vote NO and keep the pathway open for innovate solutions in NH.

Lianne Moccia

--

Lianne Moccia (she/her) CI/CT ASL/English Interpreter Integrated Model of Interpreting 128 Stoney Brook Rd. Lebanon, NH 03766

From: W. Rothe

**Sent:** Tuesday, February 2, 2021 8:59:52 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

#### Hello:

This bill HB-315 flies in the face of everything our state stands for. Why discourage individual enterprise by NH towns? Why tie NH electric customers to a grid powered by inflexible monopolies? Why make us weaker and less able to attract new businesses and good jobs? Please don't bow to the power of utilities that want simply to protect their own interests at the expense of our citizens. Please reject HB 315. Thank you for your consideration.

Yours, Woody Rothe 61 Elm St. Lebanon, NH 03766

Sent from my iPad

From: SVCC ED

**Sent:** Tuesday, February 2, 2021 12:52:00 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

### **Dear Committee Members:**

The footprint of the Greater Merrimack- Souhegan Valley Chamber of Commerce encompasses the following 12 communities in our region: Amherst, Brookline, Greenville, Hollis, Lyndeborough, Mason, Merrimack, Milford, Mont Vernon, New Ipswich, Temple, Wilton. I write to you in the interest of these communities in support of HB 315 and its purpose of simplifying the process of community aggregation.

### Why does the Chamber support this bill?

- Community Aggregation can be a good way for communities to pool their resident's electric usage to see if they can find lower cost energy in bulk
- New Hampshire's utilities make no profit on the sale of electricity, so therefore we would support any opportunity for more savings.
- In 2019 legislation that was passed on such aggregation was crafted in a way that caused too many interpretations of the law, thereby bogging down the rulemaking process at the state level, nearly bringing aggregation to a halt.
- HB 315 was created to bring clarity to aggregation and stream line the process so that aggregation can move forward quickly. The other issues that have nothing to do with aggregation will be addressed at the Public Utilities Commission. The bill allows those non-aggregation issues to be addressed but without slowing down aggregation from moving forward.
- The non-aggregation issues, if not addressed, would ensure that every ratepayer, residential and business customer, would pay much more in their costs for electricity to pay for very expensive infrastructure for a few towns who might want to create mini-utilities within their town. HB 315 allows the Public Utilities Commission to look at that issue and whether it is in the best interest of all ratepayers but meanwhile allows aggregation to move forward. The sole purpose of aggregation is to lower rates. So HB 315 focuses on that by streamlining this effort.
- HB 315 addresses all the issues that have been holding up the process in rulemaking.
- New Hampshire can move forward more quickly and with lower costs by passing HB 315.

Thank you for your time and consideration in reading my letter of support for HB 513.

Wendy Hunt, President & CEO

The Greater Merrimack - Souhegan Valley Chamber of Commerce

69 Route 101A

Amherst NH 03031

603.673.4360 www.gmsvcc.org



From: Barbara Jo Kingsley

**Sent:** Monday, February 1, 2021 8:51:58 PM **To:** ~House Science Technology and Energy

**Subject:** Reject HB 315 **Importance:** Normal

Dear House, Science, Technology and Energy Committee,

Please reject HB 315. This bill will basically gut the Community Power law that passed with bipartisan support and signed by the Governor last year. The currant law allows communities to buy their power in aggregate to get a better price and save homeowners and businesses on their electric bills.

Please don't be fooled by the utility companies, who wrote HB 315. This bill will make municipal [aggregation much more difficult if not impossible.

Please do not let this bill out of committee. Thank you,

Barbara Jo Kingsley Peterborough NH

Home: 603-567-7126 Cell: 603-400-7826

barbjokingsley@gmail.com

From: Kreis, Donald

**Sent:** Monday, February 1, 2021 11:20:27 AM **To:** ~House Science Technology and Energy

**Subject:** House Bill 351 **Importance:** Normal

**Attachments:** 

HB 351 testimony 210201.pdf

### Dear Chairman Vose and Honorable Members:

Attached is my written testimony on House Bill 351, which concerns the energy efficiency portion of the System Benefits Charge. I expect this afternoon to offer a VERY brief summary of my testimony and answer any questions.

Sincerely, Don

Donald M. Kreis Consumer Advocate Office of the Consumer Advocate 21 South Fruit Street, Suite 18 Concord, New Hampshire 03301 603.271.1174 (direct line)

From: Tom Ploszaj

Sent: Saturday, January 30, 2021 11:18:34 PM

To: Craig Lazinsky; ~House Science Technology and Energy

**Cc:** Anne Copp; Phyllis Katsakiores; Maryann\_Kimball3@yahoo.com; Erica Layon; David Love; David Milz; Steve Pearson; John Potucek; Katherine Prudhomme Obrien; Richard Tripp; Regina

Birdsell

Subject: Re: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

**Importance:** Normal

Thank you Craig,

As you may heard I am looking for interested entities to expand the choice of energy suppliers and if I am mistaken, I would like to hear why the present system of energy choice is the best NH can provide for its residents.

I would encourage you and others to assist in asking their Senators and Representatives to read, ask questions, and understand how HB 315 nullifies RSA 53-E authorization that customers though their municipality can decide to aggregate customers and produce and/or provide energy to their aggregate of customers and letting the ST&E committee know their understanding of HB315.

NH315 amends the short, concise RSA 53-E into a lengthy, complex RSA removing the customer's opportunity through an aggregator from having their energy provided by an alternative supplier.

I believe the more choices available is better than the state removing that option with HB315.

Thank you again for your input, I am listening.

**Best Regards** 

Peace,

Tom Ploszaj NH House of Representatives

Belknap District 1 - Center Harbor & New Hampton 137 Daniel Webster Hwy Center Harbor, NH 03226

Tom.Ploszaj@leg.state.nh.us

https://www.tomploszaj.com/

603-279-9965

From: Craig Lazinsky <craiglazinsky@comcast.net>

Sent: Saturday, January 30, 2021 9:44 AM

**To:** ~House Science Technology and Energy <HouseScienceTechnologyandEnergy@leg.state.nh.us> **Cc:** Anne Copp <Anne.Copp@leg.state.nh.us>; Phyllis Katsakiores <pkatsakiores@comcast.net>;

Maryann Kimball3@yahoo.com < Maryann Kimball3@yahoo.com ; Erica Layon

<Erica.Layon@leg.state.nh.us>; David Love <DavidLove4rep@gmail.com>; David Milz

<David.Milz@leg.state.nh.us>; Steve Pearson <Steve.Pearson@leg.state.nh.us>; John Potucek

<John.Potucek@leg.state.nh.us>; Katherine Prudhomme Obrien <KPO@leg.state.nh.us>; Richard Tripp

<Richard.Tripp@leg.state.nh.us>; Regina Birdsell <Regina.Birdsell@leg.state.nh.us>

Subject: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

As a voter in the Town of Derry and community volunteer, I am writing to request that you vote "No" on House Bill 315, relative to aggregation of electric customers. The attached letter outlines reasons why House Bill 315, introduced at the request of Eversource, would gut RSA 53-E and undercut the potential of businesses to offer customers new products and services through Community Power. Thank you for your consideration.

Regards, Craig Lazinsky Derry NH craiglazinsky@comcast.net

From: Craig Lazinsky

**Sent:** Saturday, January 30, 2021 10:44:30 AM **To:** ~House Science Technology and Energy

**Cc:** Anne Copp; Phyllis Katsakiores; Maryann\_Kimball3@yahoo.com; Erica Layon; David Love; David Milz; Steve Pearson; John Potucek; Katherine Prudhomme Obrien; Richard Tripp; Regina

Birdsell

**Subject:** Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

**Importance:** Normal

**Attachments:** 

Letter-to-STE\_Vote NO on HB315\_1-30-2021 C Lazinsky\_Derry.docx

As a voter in the Town of Derry and community volunteer, I am writing to request that you vote "No" on House Bill 315, relative to aggregation of electric customers. The attached letter outlines reasons why House Bill 315, introduced at the request of Eversource, would gut RSA 53-E and undercut the potential of businesses to offer customers new products and services through Community Power. Thank you for your consideration.

Regards, Craig Lazinsky Derry NH craiglazinsky@comcast.net

From: Anne Huberman

**Sent:** Friday, January 29, 2021 10:32:45 PM **To:** ~House Science Technology and Energy

**Subject:** HB 315 **Importance:** Normal

Dear Members of the Science, Technology, and Energy Committee,

Thank you for all of the work you do listening to testimony and evaluating bills. I want to call your attention to one particular bill, HB 315, that threatens to thwart work that I am doing as a volunteer with Peterborough Energy Action, a grassroots organization working with the community to transition Peterborough, NH, to 100% clean, affordable, renewable energy for all. Our aim is to achieve 100% renewable electricity by 2030 and 100% renewable heat and transportation by 2050.

When the Community Power Law (SB 286) passed in 2019 and was signed by the Governor, we saw that it would provide a way for local communities to gain control over their own sources of electricity. That's the New Hampshire way!

The law would allow us gradually to increase the number of renewable sources of our electricity, possibly reaching a 100% renewable mix by 2030. HB 315 would eliminate our ability to make our own energy choices, to save our ratepayers money, to communicate with our ratepayers, to get access to necessary usage data from Eversource, and much more.

Passage of HB 315 would be disastrous for our campaign and for communities all over New Hampshire. Other states have instituted Community Power, or Community Choice Aggregation, with great success. We haven't yet had a chance to implement it. Please stop HB 315 in its tracks before it can do any damage.

Sincerely yours,

Anne Huberman 50 Timberpond Drive, #1104 Peterborough, NH 03458 603-924-0842

--

Anne Huberman

Anne.Huberman@gmail.com

http://annehuberman.net (family password: ajjafam)

I support the Black Lives Matter Movement (http://blacklivesmatter.com/)

From: Dylan Lucas

**Sent:** Friday, January 29, 2021 5:38:52 PM **To:** ~House Science Technology and Energy

Subject: Reject House Bill 315

**Importance:** Normal

### Good Evening!

My name is Dylan Lucas and I am a 29 year resident of New Hampshire, and I work in the solar industry. For 3 years it was installing residential and commercial systems behind the meter. However for the past 3 years I have been designing solar and battery storage power plants for Maine, Massachusetts and New York, and Dartmouth College.

Unfortunately New Hampshire energy legislation drives up the cost of electricity for all ratepayers, because its market protects high cost legacy power plants like the Merrimack coal station in my birth town of Bow, New Hampshire.

I urge you to reject HB315, and hopefully we can make low cost solar available to New Hampshire residents as Massachusetts, New York and most recently Maine has. Our first step is allowing every town the access it needs to its citizens.

Thank you for doing the right thing for all ratepayers by rejecting HB315.

Sunny Regards, Dylan Lucas

From: Coleen Fuerst

Sent: Thursday, January 28, 2021 6:29:29 PM

To: ~House Science Technology and Energy; Judith Spang

Cc: Jim Dreher

**Subject:** HB 315 Our Comments

Importance: High Attachments:

Letter-to-STE\_HB315\_Final\_1-27-21CF\_J.pdf

To: All on the NH House Science Technology and Energy Committee and Judith Spang

Please see the attached letter.

Thank you for your serious considerations.

Sincerely,

Coleen Fuerst, President Jim Dreher, Owner **Durham Boat Company, Inc.** 220 Newmarket Rd. Durham, NH 03824

+1 (603) 659-7575

+1 (603) 659-6565

cfuerst@durhamboat.com

http://www.durhamboat.com

Also, We are both on the Town of Durham Energy Committee



# County of Cheshire

12 Court Street, Keene, NH 03431 www.co.cheshire.nh.us

January 29, 2021

To: Honorable Members of the New Hampshire House Science, Technology & Energy Committee

Chairman Michael Vose; Vice-Chairman Douglas Thomas; Representative Fred Plett; Representative Michael Harrington; Representative Jeanine Notter; Representative Troy Merner; Representative Lex Berezhny; Representative JD Bernardy; Representative Jose Cambrils; Representative Tom Ploszaj; Representative Nick White; Representative Peter Somssich; Representative Jacqueline Cali-Pitts; Representative John Mann; Representative Lee Oxenham; Representative Kenneth Vincent; Representative Kat McGhee; Representative Rebecca McWilliams; Representative Jacqueline Chretien; Representative Roderick Pimentel; Representative Lucius Parshall

Subject: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

### **Body:**

To the Honorable Members of the New Hampshire House Science, Technology & Energy Committee, As Cheshire County Commissioners, we write to respectfully request that you vote "No" on House Bill 315 relative to electric customers' aggregation (HB 315).

In 2019, Governor Sununu demonstrated his leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. This "Community Power Law" democratizes energy by enabling cities, towns, and counties to procure and provide electricity and related services on behalf of their residents and businesses.

Over the past year, Cheshire County along with many towns and cities across the state have begun working to leverage Community Power to benefit their citizens. Now, before we have even had the chance to launch our initial programs, Community Power comes under threat.

House Bill 315, introduced at the request of Eversource, would gut RSA 53-E and undercut businesses' innovative potential to offer customers new products and services through Community Power. This bill would strengthen monopoly control over competitive markets, burden communities with burdensome regulations, and sabotage municipalities' potential to make their own energy supply decisions through Community Power. HB 315 entirely undermines the intent of Governor 'Sununu's innovative update to RSA 53-E, which was supported by a bipartisan legislature.

The purpose of RSA 53-E is to:

• "provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy suppliers"..."

- "to provide such customers access to competitive markets for supplies of electricity and related services"..."
- "to encourage voluntary, cost-effective and innovative solutions to local needs with careful consideration of local conditions and opportunities."

### HB 315 undermines the purpose of RSA 53-E by:

- 1. Eliminating Community Power authority to provide electric power supply and related customer service, load management, and energy conservation;
- 2. Restricting energy services available to Community Power to only monopolistic and regulated utilities;
- 3. Removing Community Power access to data necessary for program implementation;
- 4. Subjecting Community Power to regulation by the Public Utilities Commission.

Community Power aims to harness competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to our cities and towns. But those benefits will be never be realized if HB 315 is to become law.

Community Power represents a "New Hampshire Way" forward on energy issues, one that chooses markets over mandates, local control over monopoly control, and innovation over-regulation. Please do not allow this attack on Community Power to take away our local authorities.

| Please, vote "No" on HB 315. |                          |                |  |
|------------------------------|--------------------------|----------------|--|
| Sincerely,                   |                          |                |  |
| John "Jack" Wozmak, JD       | Robert "Bob" Englund, MD | Terry M. Clark |  |
| •                            | <b>C</b> ,               | •              |  |
| Chairman                     | Vice-Chairman            | Clerk          |  |



# County of Cheshire

12 Court Street, Keene, NH 03431 www.co.cheshire.nh.us

January 29, 2021

To: Honorable Members of the New Hampshire House Science, Technology & Energy Committee

Chairman Michael Vose; Vice-Chairman Douglas Thomas; Representative Fred Plett; Representative Michael Harrington; Representative Jeanine Notter; Representative Troy Merner; Representative Lex Berezhny; Representative JD Bernardy; Representative Jose Cambrils; Representative Tom Ploszaj; Representative Nick White; Representative Peter Somssich; Representative Jacqueline Cali-Pitts; Representative John Mann; Representative Lee Oxenham; Representative Kenneth Vincent; Representative Kat McGhee; Representative Rebecca McWilliams; Representative Jacqueline Chretien; Representative Roderick Pimentel; Representative Lucius Parshall

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| Please, vote "No" on HB 315. |                          |                |  |
|------------------------------|--------------------------|----------------|--|
| Sincerely,                   |                          |                |  |
| John "Jack" Wozmak, JD       | Robert "Bob" Englund, MD | Terry M. Clark |  |
| •                            | <b>C</b> ,               | •              |  |
| Chairman                     | Vice-Chairman            | Clerk          |  |



February 16, 2021

Dear Representatives,

On behalf of over 415 member businesses of the Greater Derry Londonderry Chamber of Commerce, the organization's Board of Directors thanks you for your time today in review of HB315. The Chamber encompasses businesses from Atkinson, Auburn, Chester, Derry, Hampstead, Londonderry, Sandown and Windham. We ask you to support House Bill 315 as it creates opportunity for aggregation in the energy industry.

New Hampshire's energy resources are strained. As a Chamber, we work with existing businesses as well as speak with those interested in expanding in the state. One of the most common concerns involves energy supply and price. While community aggregation did pass in the last session, the legislation created a complicated system that does not benefit our state. HB315 will streamline the system, remove unnecessary duplication between aggregates and utility companies and allow the Public Utilities Commission clear oversight with established guidelines. Several of our members have agreements in place with aggregators, ready to start the process when the guidelines are clear. Utility companies are also ready to work with all parties, capitalizing on their established systems to streamline the process.

The Chamber asks you to consider the factors any business must consider as they look to expand or relocate. While the limits to energy supply and price are only part of the equation, they are a significant one. Eliminating unnecessary steps to aggregation sends a clear message that New Hampshire is ready for business and proactively addressing the energy challenges in the state. In closing, we ask that you support HB315 to allow further economic growth in our state. Thank you for your consideration of our position.

Regards,

Ashley Haseltine

Ashley & Haseltine

President



February 16, 2021

Dear Representatives,

On behalf of over 415 member businesses of the Greater Derry Londonderry Chamber of Commerce, the organization's Board of Directors thanks you for your time today in review of HB315. The Chamber encompasses businesses from Atkinson, Auburn, Chester, Derry, Hampstead, Londonderry, Sandown and Windham. We ask you to support House Bill 315 as it creates opportunity for aggregation in the energy industry.

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Regards,

Ashley Haseltine

Ashley & Haseltine

President



July 17, 2019

The Honorable Chris Sununu
The Governor of the State of New Hampshire
N.H. State House
107 North Main Street
Concord, NH 03301

Re: SB 286-FN-Local, Relative to Aggregation of Electric Customers by Municipalities and Counties

#### Dear Governor Sununu,

I write in support of enacting SB 286. After reviewing the proposed bill and related materials, and interviewing local stakeholders, I have concluded that — in comparison to the states that currently allow or are considering enabling<sup>2</sup> Community Choice Aggregation — New Hampshire has put forward the most technically expert conception of this policy framework to date.

By way of introduction, I am the former Managing Director of the consultancy Local Power, Inc., which co-wrote the original enabling legislation in Massachusetts and California, have worked to evolve the governance and operating models of Community Choice agencies for a decade, and advise on utility and community partnerships more broadly.

In contrast to more limited conceptions of Community Choice, SP 286 is best viewed as a key strategic initiative to support both the modernization of New Hampshire's electric grid and its competitive retail power market — because its proponents:

- 1. Have demonstrated a clear view of how to tackle the underlying IT infrastructure and regulatory barriers that are currently holding back private-sector innovation in the retail electricity industry;
- 2. Intend Community Choice initiatives to work collaboratively with utilities and other stakeholders to enhance New Hampshire's Grid Modernization decision-making process; and
- 3. Understand how Community Choice initiatives should thereafter 'fill gaps' in the retail value chain, by working with the private sector to accelerate customer adoption of new technologies and services.

Now more than ever before, it is a strategic imperative that governance becomes nimbler and more operationally-informed in order to address how technology is changing in the power sector. SB 286 would set this process in motion for New Hampshire. Its proponents intend to use Community Choice as a vehicle to educate local elected officials, businesses and citizens on how to remove barriers to private-sector innovation — from an operational, 'real world' perspective. For a number of reasons, this is the 'missing link' that has held back the evolution of the power industry.

The 'technical' part is not hard to explain at a conceptual level. Every day, more and more customers have technologies that can <u>intelligently</u> shift electricity usage to lower-priced wholesale market intervals (smart thermostats, water heater controls, batteries and the like). But if you have ever tried to actually

<sup>&</sup>lt;sup>1</sup> Community Choice markets: Massachusetts, New York, New Jersey, Rhode Island, Ohio, Illinois and California

<sup>&</sup>lt;sup>2</sup> Community Choice under consideration: Virginia, Arizona, New Mexico, Oregon, Maryland, and Connecticut

use the data from your utility meter to do something like this, you will know that it is impossible. Almost all customers in Liberty and Eversource territories lack interval meters, and while Unitil was an early adopter of interval meters, the design of their communications architecture has imposed severe constraints. The quality and availability of data is not reliable, and the time interval of the data supplied isn't aligned with wholesale requirements. This has prevented retailers from providing innovative products to all but the largest customers. There are few enabling services for the majority of customers, because New Hampshire lacks the IT infrastructure required to support an advanced market.

Like many states, New Hampshire is about to tackle this 'Grid Modernization' challenge. What should concern you is the fact is that, despite all the accompanying fanfare, investments in Advanced Metering Infrastructure across the country have largely built a 'bridge to nowhere.' As the industry is currently structured, none of the stakeholders involved in the design process have demonstrated the requisite motivation, technical knowledge, customer-oriented culture and sense of urgency required to actually animate an innovative retail market.

We know how we got here. State regulatory commissions and utility practices evolved over a century when electricity usage patterns were predictable, centralized infrastructure could be administered in a siloed, top-down fashion, and there was no Internet. Procedurally and culturally, the decision-makers involved in Grid Modernization initiatives invariably adopt incremental approaches that produce 'one step forward, two steps back' results — because what we need is actually a 'systems thinking' redesign that incorporates consumer preferences, local infrastructure and private sector innovations. It is a costly mistake that has been repeated time and again, creating missed opportunities and market distortions. It is not necessarily anybody's fault, but after so many years, it has become clear that we need to involve stakeholders who want to fix the market from a competitive, operational point of view.

Simply put, everything has changed in the power industry except how we allow ourselves to make decisions — and evolving beyond the 'institutional and cultural inertia' that defines regulated decision-making is our biggest challenge. I urge you to consider SB 286 within this context:

- The power industry Grid Modernization efforts in particular —is caught in a 'catch-22':
  - Utilities, regulators consumer advocates, etc. lack situational awareness regarding new technologies, third-party services and the infrastructure and products different communities and customer groups actually want — that is not their job.
  - Similarly, it is not the job of innovative companies to inform the regulated process governing IT infrastructure decisions few, if any, invest the time and resources required to participate.
  - The consequent 'knowledge gap' in the decision-making process leads to Grid Modernization schemes that fail to support an advanced retail market structurally and for years.
- SB 286 has been designed to bridge this gap, by relying on Community Choice initiatives to:
  - Leverage private-sector partners to rapidly educate local officials and stakeholders throughout the state on what the 'front lines' of the competitive retail electricity business requires in practice;
  - Collaborate across technology vendors, utilities, energy suppliers, regulators, policy-makers, civic and business associations, and customers to identify regulatory, business process and IT infrastructure "bottlenecks" that preclude advanced retail services; and
  - Work together to share new information and remove barriers, so that innovative technologies, services and market competition function seamlessly to satisfy customer expectations.



No other state has 'connected the dots' in such a profound fashion, and the potential benefits for New Hampshire are already becoming apparent. Consider these three recent examples:

- 1. Unitil deployed Advanced Metering Infrastructure that has proven operationally insufficient and been under-utilized by retail customers as a consequence;
- 2. Eversource deployed an outdated Automated Meter Reading system incapable of communicating interval usage, and is now facing cost-recovery protests by consumer advocates as a consequence;
- 3. Liberty Utilities is already working with the City of Lebanon on interval meter, dynamic retail pricing, and distribution grid integration pilots and future collaborations with "Lebanon Community Power" (under SB 286) would strengthen their broader Grid Modernization efforts.

Looking ahead, after the intelligent data infrastructure and business processes have been put in place, customers will need to be educated on the new opportunities and offered innovative products. Most people do not want to spend an inordinate amount of time reviewing energy supply contracts and technology performance agreements line by line, every few months. All customers want the convenience of trusted vendors offering convenient services in a functioning marketplace, and it is our responsibility to create it.

Proponents of SB 286 have a clear view of how properly-designed Community Choice programs will play a key enabling role in making this vision a reality for New Hampshire — by simultaneously:

- 1. Working with innovative private-sector partners to expand market access lowering barriers to contracting opportunities while ensuring that customers are treated fairly;
- 2. Working with utilities and technology firms to deploy the right 'block and tackle' IT infrastructure, business services and retail products so new technologies and services deliver customer benefits;
- 3. Working with wide range of public and private stakeholders to ensure that the market structure continues to evolve and embraces new technologies under a nimble, flexible mode of governance.

The power industry must keep up with the times. Customer adoption of new technologies can create immense value for society, provided that governance affords the flexibility to do so. Conversely, uninformed and inflexible governance will steer the market into inefficient and unstable outcomes. SB 286 would ensure that New Hampshire takes the right path — and would provide critical leadership for other states evaluating how best to modernize their electricity grids and competitive retail markets.

Please reach out directly if I can assist your staff in further evaluating this opportunity. I am available to meet at the State House, via phone (415) 404-5283 or via email golding@communitychoicepartners.com

Samuel V. Golding

President

Community Choice Partners, Inc.

12 South Spring Street Concord, NH 03301 31 Hussey Street Nantucket, MA 02554 3165 Mission Street San Francisco, CA 94410



February 11, 2021

Hon. Michael Vose, Chairman House Science, Technology & Energy Committee Legislative Office Building, Room 304 Concord, New Hampshire

Via Electronic Mail Only

Re: HB 315, relative to the aggregation of utility customers

Dear Chairman Vose:

I write to express the Municipal Association's strong opposition to HB 315. We are concerned that the bill's extensive changes to RSA 53-E will render municipal aggregation of electricity impossible or ineffective.

The current language of RSA 53-E resulted from a 2019 bill, SB 286, that had overwhelming bipartisan support, receiving unanimous "ought to pass" committee recommendations in both the Senate and the House and passing both chambers on a voice vote. Since 2019, municipalities have been working to implement the statute's provisions to provide lower energy costs and enable greater use of renewable energy sources.

I am no expert on energy matters, but I am informed that HB 315 would render these efforts futile. We are at a loss to understand why the legislature would consider eliminating this option for municipalities. We have heard from many municipal officials in opposition to the bill, and I know the committee will as well. We urge you to listen to those concerns and find HB 315 inexpedient to legislate.

Thank you very much for your consideration.

Sincerely,

Cordell A. Johnston

Jodell a.

Government Affairs Counsel

cc: Committee members



February 3, 2021

RE: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

To the Honorable Members of the New Hampshire House Science, Technology & Energy Committee:

I am writing to respectfully ask you to vote "No" on House Bill 315, relative to the aggregation of electric customers (HB 315). Over the past year, the City has been working to leverage Community Power for the benefit of the Keene residents and businesses. Now, before we have even had the chance to launch our initial program, Community Power comes under threat.

House Bill 315 would put limitations on Community Power programs, most importantly provisions related to utility sharing of customer data. Without access to customer data, it would be impossible for a Community Power program to function as required by the law. Other provisions of the bill are onerous and overreach, including a proposed requirement that no tax dollars can be used in a Community Power program, even for incidentals. In Keene's experience, a large amount of staff time was required to develop a draft Community Power plan, even with the assistance of a consulting firm. For example, staff conducted initial research into the program, provided ongoing support to the City's Community Power Committee, and led the process to select a consultant team to assist the City with developing a program. It would appear that this bill would take away my authority as the City Manager to decide how my staff can spend their time.

In addition, several provisions of the bill would hamper Keene's Community Power program from meeting our local goals, such as offering energy efficiency programs and demand side management services.

Taken together, the proposed changes to NH RSA 53-E would make launching a Community Power program infeasible and threatens our ability to make local energy supply decisions. Please, vote "No" on HB 315.

Sincerely,

Elizabeth Dragon

City Manager, City of Keene, NH

2000

TO: ST&E Committee FROM: Rep. Michael Vose RE: Testimony for HB315

HB315 seeks to provide a framework within which the concept of community aggregation of electricity customers can be successfully implemented in NH. This framework follows the model used for many years in Massachusetts, where it has allowed many communities to lower the cost of their power.

The original bill did not provide a sufficient framework to allow buy-in from multiple stakeholders. Therefore, this morning I submit amendment 2021-xxxxh to address numerous issues.

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These conflated ideas have become roadblocks for rulemaking. HB315 attempts to refocus RSA 53-E onto just aggregation to permit rulemaking to go forward. Community power can be implemented separately from aggregation, making the separation of these two conceptual frameworks an essential choice. Community power can include aggregation but does not require it. Nor does aggregation require community power provisions.

Because the law contained both these co-mingled ideas, many people came to think of the statute as a description of "community choice aggregation (CCA)." Unfortunately, these ideas are like hockey and tennis. You play both on a prescribed surface of some sort, but otherwise they differ substantially. To further muddy the waters, the 2019 law reserved the name "community power" for use by CCAs, which might make them CPAs or.... Are we there yet?

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the aggregation can be managed by municipal employees and volunteers who may have limited knowledge of the intricacies of community power management.

Under aggregation of electric customers, a municipality can purchase electricity from a competitive supplier or commercial aggregator on behalf of the residents and businesses within the community. A municipality could also join with other municipalities to purchase electricity supply. Creating large groups allows soliciting bids to get the best price for electricity. For example, several years ago over ten Massachusetts' communities joined together as one to purchase power under a municipal aggregation plan.

Unfortunately, New Hampshire's aggregation legislation was crafted in a way that has caused far too many interpretations of the law. Various special interests have sought to interpret the law to their own benefit, and this confusion and conflict has bogged down the rulemaking process at the state level, nearly bringing aggregation to a halt.

While municipal or county aggregation may be beneficial to some communities, it may not be a fit for all. Managing electricity supply is a complex matter that requires resources and carries risks, and many communities will choose not to participate in the law and continue to leave this grid management to the state's utilities.

For cities and towns that choose not to participate in aggregation, the law must ensure that costs from aggregated communities are not shifted to local residents who choose not to participate. A municipalities' decision to purchase more expensive renewable power or to develop other infrastructure should not result in costs being shifted onto other communities or ratepayers. For example, community power may require advanced metering infrastructure, which would be costly to all ratepayers. HB315 allows the PUC to look at such issues and determine whether community power meets the best interests of all ratepayers, while allowing aggregation to move forward.

HB315 was crafted to overcome hurdles to implementation and to give aggregators the tools they need to be successful. It preserves the opt-out structure option that avoids excessive aggregator costs. It also guarantees that everyone who wants to be part of the program can join without effort, while preserving the choice of others to not participate.

As experienced in other New England states, aggregation can be a positive partnership between municipalities, utilities, and energy suppliers. All for the benefit of ratepayers. HB315 will help New Hampshire get on that path and bring value to electric customers throughout the state.



## OFFICE OF SELECTMEN

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Fax (603) 876-3313
e-mail: selectmen@marlboroughnh.org
website www.marlboroughnh.org

To: Honorable Members of the New Hampshire House Science, Technology & Energy Committee

Chairman Michael Vose; Vice-Chairman Douglas Thomas; Representative Fred Plett; Representative Michael Harrington; Representative Jeanine Notter; Representative Troy Merner; Representative Lex Berezhny; Representative JD Bernardy; Representative Jose Cambrils; Representative Tom Ploszaj; Representative Nick White; Representative Peter Somssich; Representative Jacqueline Cali-Pitts; Representative John Mann; Representative Lee Oxenham; Representative Kenneth Vincent; Representative Kat McGhee; Representative Rebecca McWilliams; Representative Jacqueline Chretien; Representative Roderick Pimentel; Representative Lucius Parshall

Subject: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

To the Honorable Members of the New Hampshire House Science, Technology & Energy Committee,

As voters and community leaders, we write to respectfully request that you vote "No" on House Bill 315, relative to aggregation of electric customers (HB 315).

In 2019, Governor Sununu demonstrated his leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. This "Community Power Law" democratizes energy by enabling cities, towns, and counites to procure and provide electricity and related services on behalf of their residents and businesses.

Over the past year, many towns and cities across the state, including Marlborough, have begun working to leverage Community Power for the benefit of their citizens. Now, before we have even had the chance to launch our initial programs, Community Power comes under threat.

House Bill 315, introduced at the request of Eversource, would gut RSA 53-E and undercut the innovative potential of businesses to offer customers new products and services through Community Power. This bill would strength monopoly control over competitive markets, burden communities with arduous regulations, and altogether sabotage the potential for municipalities to make their own energy supply decisions through Community Power. HB 315 entirely undermines the intent of Governor Sununu's innovative update to RSA 53-E, which was supported by a bipartisan legislature.

Marlborough residents deserve to have this option available to them. Please do not take it away from them.

Please vote "No" on HB 315!

Very truly yours,

# MARLBOROUGH BOARD OF SELECTMEN

Jane Pitt

Gina Paight

Earl Nelson



# TOWN OF RYE • OFFICE OF SELECTMEN 10 Central Road Rye, NH 03870-2522 (603) 964-5523 • Fax (603) 964-1516

February 5, 2021

NH House Science, Technology & Energy Committee 107 N Main Street Concord NH 03301

Re: House Bill 315

To the Honorable Members of the NH House Science, Technology & Energy Committee,

We respectfully request that you vote "No" on House Bill 315, relative to aggregation of electric customers (HB 315).

In 2019, Governor Sununu demonstrated leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. This "Community Power Law" was supported by a bipartisan legislature. It enables municipalities to procure electric power supply on behalf of their residents and businesses. It would allow Rye to get lower prices and/or cleaner energy for all of our residents and businesses and allow us to create our own energy efficiency programs that will benefit us all. The local control RSA 53-A provides will promote competition and encourage innovation. HB 315 would severely undermine all of this.

Over the past year, the Rye Energy Committee has had many conversations and accessed a network of other local Energy Committees to learn more about the potential benefits of Community Power. Several NH communities are close to launching initial programs. Rye is hoping to spend the next 12 months researching and developing a plan that will benefit everyone in our community. House Bill 315 threatens to gut the benefits of Community Power even before we have had the chance to bring it to our voters.

Community Power aims to harness competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to Rye and other municipalities.

Please, vote "No" on HB 315.

Town Website: www.town.rye.nh.us E-mail: Selectmen@town.rye.nh.us

Thank you for taking our position on this matter into consideration.

Sincerely,

Rye Select Board

Philip D. Winslow, Chairman

William Epperson, Selectman

Mae C. Bradshaw, Selectwoman

Howard Kalet, Co-Chairman Rye Energy Committee

Representative Jaci Grote, Rockingham 24

TO: ST&E Committee FROM: Rep. Michael Vose RE: Testimony for HB315

HB315 seeks to provide a framework within which the concept of community aggregation of electricity customers can be successfully implemented in NH. This framework follows the model used for many years in Massachusetts, where it has allowed many communities to lower the cost of their power.

The original bill did not provide a sufficient framework to allow buy-in from multiple stakeholders. Therefore, this morning I submit amendment 2021-xxxxh to address numerous issues.

Why is HB315 even necessary? An aggregation bill, SB286, was passed in 2019 and signed into law. But a last-minute amendment added by the House made the resulting statute, RSA 53-E, problematic from a rulemaking perspective. Informal rulemaking discussions over the past 18 months have failed to produce sufficient consensus to allow formal rulemaking to proceed.

RSA 53-E as it currently exists conflates two disparate ideas: 1) aggregation, and 2) community power. Aggregation is simply the pooling of customers to allow large group competitive procurement of electricity at attractive prices. Community power means a host of other ideas, which are separate and distinct from aggregation. These ideas include demand response/management and energy efficiency; metering, load settlement, and billing; and customer service, including providing energy efficiency programs at the local level.

These conflated ideas have become roadblocks for rulemaking. HB315 attempts to refocus RSA 53-E onto just aggregation to permit rulemaking to go forward. Community power can be implemented separately from aggregation, making the separation of these two conceptual frameworks an essential choice. Community power can include aggregation but does not require it. Nor does aggregation require community power provisions.

Because the law contained both these co-mingled ideas, many people came to think of the statute as a description of "community choice aggregation (CCA)." Unfortunately, these ideas are like hockey and tennis. You play both on a prescribed surface of some sort, but otherwise they differ substantially. To further muddy the waters, the 2019 law reserved the name "community power" for use by CCAs, which might make them CPAs or.... Are we there yet?

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Under aggregation of electric customers, a municipality can purchase electricity from a competitive supplier or commercial aggregator on behalf of the residents and businesses within the community. A municipality could also join with other municipalities to purchase electricity supply. Creating large groups allows soliciting bids to get the best price for electricity. For example, several years ago over ten Massachusetts' communities joined together as one to purchase power under a municipal aggregation plan.

Unfortunately, New Hampshire's aggregation legislation was crafted in a way that has caused far too many interpretations of the law. Various special interests have sought to interpret the law to their own benefit, and this confusion and conflict has bogged down the rulemaking process at the state level, nearly bringing aggregation to a halt.

While municipal or county aggregation may be beneficial to some communities, it may not be a fit for all. Managing electricity supply is a complex matter that requires resources and carries risks, and many communities will choose not to participate in the law and continue to leave this grid management to the state's utilities.

For cities and towns that choose not to participate in aggregation, the law must ensure that costs from aggregated communities are not shifted to local residents who choose not to participate. A municipalities' decision to purchase more expensive renewable power or to develop other infrastructure should not result in costs being shifted onto other communities or ratepayers. For example, community power may require advanced metering infrastructure, which would be costly to all ratepayers. HB315 allows the PUC to look at such issues and determine whether community power meets the best interests of all ratepayers, while allowing aggregation to move forward.

HB315 was crafted to overcome hurdles to implementation and to give aggregators the tools they need to be successful. It preserves the opt-out structure option that avoids excessive aggregator costs. It also guarantees that everyone who wants to be part of the program can join without effort, while preserving the choice of others to not participate.

As experienced in other New England states, aggregation can be a positive partnership between municipalities, utilities, and energy suppliers. All for the benefit of ratepayers. HB315 will help New Hampshire get on that path and bring value to electric customers throughout the state.

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## Harrisville Community Power Electric Aggregation Plan

(TM-05-22-2021)

The Electric Aggregation Committee thanks the Harrisville Select Board for its support for this initiative

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### Introduction

Harrisville Community Power is a program to provide electric power supply and services for residents, businesses, and other entities in Harrisville's jurisdiction, made possible by legislation passed last year. (Refer to Attachment 1 for more detail about the legislation.)

The Electric Aggregation Committee was tasked by the Select Board to research and evaluate the new legislation. We recommend the Town adopt Community Power. This Electric Aggregation Plan sets forth goals, implementation and management principles, and requirements for the program for consideration at Town Meeting, May 22, 2021.

To ensure the successful launch and operation of Harrisville Community Power, the Select Board will contract with qualified vendors to provide the services required to operate the program and with one or more credit-worthy suppliers to provide electricity.

The program operates on a competitive basis, and is self-funded through revenues generated by participating customers — the Town will not need to raise taxes to pay for it.

Harrisville Community Power is well aligned with the objectives of the Town's *Master Plan* in areas of Economic Development, Infrastructure, and Energy. The program's goals are:

- Competitive Rates & Choices that must meet or beat those offered by Eversource at launch, plus choices regarding the supply of renewable energy and affordable rates;
- Fiscal Stability & Financial Reserves to ensure the program is able to maintain competitive rates over time and advance the Town's policy goals over the long-term (e.g. development of local energy resources and programs);
- **Consumer Protections** to ensure contracts entered into are fair, and to represent the Town's interests on energy issues at the Legislature and Public Utilities Commission;
- Community Resiliency programs to reduce energy consumption, lower bills, create jobs, and pursue longer-term projects such as building local back-up power supplies; and
- Cleaner Power to supply an affordable energy portfolio that prioritizes the use of costeffective local renewable energy.

If voters approve this Electric Aggregation Plan at Town Meeting:

- Eversource continues its job to deliver electricity to customers, and own and operate the local distribution system (poles, wires, transformers, sub-stations, etc.).
- The Select Board, with advisory support from the Electric Aggregation Committee, will be authorized to contract for the necessary professional services and power supplies to launch Harrisville Community Power; and,
- Participation in Community Power is completely voluntary: after the electricity rates are
  established, all customers not already on competitive supply will be notified and automatically
  enrolled, unless they choose to stay with Eversource for electricity supply, and customers on
  competitive supply may choose to opt-in.

The Electric Aggregation Committee developed this plan with public input and based on its research started in May 2020 — getting under the hood of the utility industry, consulting with experts on the particulars of the legislation, interviewing vendor candidates, and speaking with town representatives throughout the state on similar tracks about community power design and implementation.

Thank you for considering this, we welcome and encourage continuing the dialogue with you,

The Harrisville Electric Aggregation Committee

### 1. Overview of Harrisville Community Power

Harrisville Community Power is a new program to provide electricity to residents, businesses, and other entities on a competitive basis. Under the program:

- Harrisville Community Power, once operational, will serve as the default electricity supplier
  within the Town's boundaries and be self-funded through revenues received by participating
  customers (the Town will not need to raise taxes to pay for it).
- Eversource, the electric distribution company that owns and operates the local distribution system in Harrisville (poles, wires, transformers, substations, etc.), will continue to deliver electricity to customers.
- Harrisville's Select Board, in coordination with advisory support from the Harrisville Electric Aggregation Committee, will be authorized to:
  - Contract for the necessary services and power supplies on behalf of participating customers;
  - 2. Set rates for participating customers and make other decisions regarding the program; and
  - 3. Collaborate with other municipalities to avoid duplicative costs and enhance consumer protections.
- All customers in Harrisville will be notified and will choose to opt-in or opt-out of participating in the program, as described below:
  - 1. Customers currently on default service provided by Eversource will be notified, provided the opportunity to decline participation, and thereafter transferred to Harrisville Community Power if they do not opt-out.
    - Customer notifications will: include the initial fixed rate for the program's default service compared with the Eversource rate, be mailed to customers at least 30 days in advance of program launch, and provide instructions for customers to decline participation (for example, by calling a phone number or using a web portal).
  - 2. Customers already served by Competitive Electric Power Suppliers will be notified and provided the opportunity to opt-in to the program;
  - New customers will automatically be enrolled onto Harrisville Community Power's default service, unless they choose to take service from Eversource or a Competitive Electric Power Supplier; and
  - 4. All customers remain free, at any time, to choose whether to take service from Harrisville Community Power, Eversource, or a Competitive Electric Power Supplier.

### 1a. Purpose of this Electric Aggregation Plan

This Electric Aggregation Plan sets forth Harrisville's policy goals for its Community Power program in alignment with the Town's *Master Plan*, details Harrisville Community Power's program design and implementation processes, and commits Harrisville Community Power to comply with applicable statute and regulation in terms of:

- Providing universal access, reliability, and equitable treatment of all classes of customers subject to any differences arising from varying opportunities, tariffs, and arrangements in Eversource's distribution franchise territory; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws concerning the provision of service under Community Power.

This plan does not otherwise commit Harrisville Community Power to any defined course of action and does not impose any financial commitment on the Town.

### 1b. Public Approval Process and Next Steps

This Electric Aggregation Plan was developed by Harrisville's Electric Aggregation Committee with due input from the public, as required under RSA 53-E. (Refer to Attachment 2 for a summary of the development process.)

The Electric Aggregation Committee has determined that this Electric Aggregation Plan satisfies applicable statutory requirements and is in the best, long-term interest of Harrisville and residents, businesses, and other ratepayers. As such, the Select Board may now submit this Electric Aggregation Plan for consideration by voters at Town Meeting.

Adoption of this Plan at Town Meeting, by majority approval of those present and voting, establishes Harrisville Community Power as an approved aggregation with statutory authorities defined under RSA 53-E:3 (to be exercised with due oversight and local governance, as described herein).

Regulations governing Community Power are currently being developed by the Public Utilities Commission. The anticipated rules will likely require the Town to submit the approved Electric Aggregation Plan to the Commission in order to:

- Formally notify the Commission that the Town is planning to launch a Community Power program; and
- Authorize the Town to request access to additional customer data from Eversource that will be needed for program implementation and administration.

Future decisions regarding how to implement and manage Harrisville Community Power will be made by the Select Board, in coordination with advisory support from the Harrisville Electric Aggregation Committee, at duly noticed public meetings.

### 2. Harrisville Community Power Goals and Objectives

Harrisville Community Power affords the Town the capacity and flexibility to realize and build on *Master Plan* goals pertaining to Economic Development, Infrastructure and Energy. (Refer to Attachment 3 for excerpts from the *Master Plan*.)

To leverage the Community Power legislation in support of these goals, the program will be guided by the following objectives:

- Competitive Rates & Choices: Harrisville Community Power will only launch if it is able to initially offer default rates that are lower than or competitive with those offered by Eversource, and will additionally offer optional rates with higher and lower levels of carbon-free and/or renewable energy;
- Fiscal Stability & Financial Reserves: Harrisville Community Power will adopt an Energy Risk Management Policy and deposit a portion of revenues into a reserve fund to ensure that the program remains able to offer competitive rates as market prices fluctuate over time and is therefore able to achieve Harrisville's longer-term policy goals (such as the development of local energy resources and programs);
- Enhanced Consumer Protections: Harrisville Community Power will ensure that the contracts
  entered into on behalf of customers are fair, and will seek to represent the interests of Harrisville
  and the program's customers at the legislature and utility regulatory commission on matters
  pertaining to Community Power and ratepayer protection;
- Community Resilience: Harrisville Community Power will support customers in adopting new
  clean energy technologies and reducing their energy consumption, support training and education
  programs, and pursue longer-term projects such as building back-up power supplies, electric
  vehicle charging infrastructure and community microgrids; and

 Cleaner Power: Harrisville Community Power will prioritize the development of cost- effective projects to supply an affordable energy portfolio that prioritizes the use of local renewable energy.

Harrisville Community Power, in its capacity as the default electricity supplier for the Town, will be positioned to support these goals through strategic initiatives such as:

- Partnering with nearby towns to contract for cost-effective local renewable generation and storage projects, regional electric vehicle charging networks, and other clean energy infrastructure developments;
- Incentivizing customers, through innovative rate structures and local programs, to adopt technologies
  that reduce peak loads (by using power at times when it is cheaper, often when renewables are
  generating, and thus reducing the cost and carbon content of power overall); and
- Joining with other Community Power programs to advocate for regulations and laws that enhance consumer protections, support grid modernization and the development of competitive markets, and remove barriers to the intelligent use of new clean technologies.

Through initiatives like these, Harrisville Community Power will reduce fossil fuel consumption, enhance the reliability of our electricity grid, and attract and support local businesses — areas that the Town's Master Plan considers essential to its continued success as a vital, sustainable community.

### 3. Harrisville Community Power Implementation Guidelines

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

- a. Organizational structure of the program;
- b. Methods of entering into and terminating agreements;
- c. Operation and funding;
- d.Rate setting, costs, and customer enrollment process;
- e. Rights and responsibilities of program participants:
- f. Net metering and group net metering policies;
- g. Ensuring discounts for Electric Assistance Program participants; and,
- h. Termination of program.

### 3a. Organizational Structure of the Program

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

The Select Board will oversee the program and has overall governance authority. Decisions regarding Harrisville Community Power, such as the adoption of an Energy Risk Management Policy and approval of rates, will be made at duly noticed public meetings.

Additionally, and within parameters set by the Select Board, the Electric Aggregation Committee will provide advisory support to the Select Board and may hold regular and ad-hoc meetings to assess program performance, discuss how to evolve the services and products offered to customers, and otherwise address any issues that warrant attention.

### 3b. Methods of Entering Into and Terminating Agreements

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

### 3c. Operation and Funding

To ensure the successful launch and operation of Harrisville Community Power, the Select Board will contract with qualified vendors to provide the services required to operate the program and with one or more credit-worthy suppliers to provide electricity.

These third-party entities are expected to fund the upfront cost of implementing the program, the expense of which will be amortized and recovered in the program's rates and charges to participating customers. The program may also seek opportunities to apply for grant funding.

Services provided by third-party entities required to launch and operate the program include wholesale risk management advisory services, wholesale load serving entity services, financial services, electronic data interchange with the utility, customer data management and billing services, customer notification and relationship management (e.g. call center, website, etc.) services, and additional support services such as: management and planning, budgeting and rate setting, local project development support, regulatory compliance, and legislative and regulatory engagement services (on matters that could impact the program and participating customers).

Harrisville Community Power will provide "all-requirements" electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services, transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard. Electricity supply contracts will be executed or guaranteed by investment-grade entities, and suppliers will be required to maintain sufficient insurance and meet appropriate performance requirements.

The Select Board may issue one or more competitive solicitations for and contract directly with third parties for the necessary services and electricity supply contracts. The Electric Aggregation Committee interviewed two commercial brokers, which traditionally assist clients in procuring electricity from wholesale suppliers, and which are now offering certain Community Power program management services in New Hampshire.

The Select Board may also choose to contract for services and power supplies jointly, working with other Community Power programs as allowed for under RSA 53-E:3. Such collaborative initiatives are common in the cooperative and public power industry, and provide an advantageous economy-of-scale for participating municipalities while avoiding duplicative overhead costs.

With that in mind, the Committee interviewed and worked with a group of municipalities that formed a joint action agency to implement and launch Community Power programs across New Hampshire. It will operate on a nonprofit basis, be governed by participating Community Power municipalities, and will contract for expert services, provide joint regulatory engagement, and facilitate joint power procurement and project development through a voluntary and flexible membership and cost-sharing structure for participating municipalities.

The commercial brokers and the joint action agency will present differing options and cost structure and are not mutually exclusive. For example, Harrisville Community Power may join as a member of the joint action agency to contract for certain services jointly, and contract with a commercial broker for other services directly.

Additionally, SB 286 provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Harrisville Community Power with the practical ability to help customers adopt and use innovative technologies (e.g. intelligent thermostats, backup battery storage systems, controllable electric vehicle chargers, etc.) in ways that save money, enhance grid resiliency and decarbonize our power supply. However, the implementation of these authorities is expected to take some time, as it requires action by the Public Utilities Commission to adopt enabling rules and coordination with Eversource to adapt existing meter and billing system processes.

The Select Board will determine how best to implement and operate Harrisville Community Power, taking into consideration the profile, qualifications, and capacity of these third parties to achieve the full benefits and program goals and objectives as set forth in this Electric Aggregation Plan.

### 3d. Rate Setting, Costs, Enrollment Process, and Options

The Select Board will adopt an Energy Risk Management Policy and Financial Reserve Policy to govern the program's power procurement and rate-setting decisions.

Rates will be set at a level such that revenues from participating customers are projected to be sufficient to cover ongoing operating and capital costs of the program. Changes to the program's default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.

Additionally, in the event that any rate change is related to a regulatory event (such as an increase in New Hampshire's Renewable Portfolio Standard requirements) or new taxes or surcharges that suppliers become obligated to recover, Harrisville Community Power will also notify the Public Utilities Commission Consumer Services and External Affairs Division prior to implementation of the rate change.

Harrisville Community Power will only launch if it is able to offer default rates that are initially lower than or competitive with those offered by Eversource; thereafter, the program will strive to maintain competitive rates while working to achieve the program's goals as set forth in this Electric Aggregation Plan. (Refer to Attachment 4 for an example of a multi-tier rate.)

To ensure the fiscal stability of Harrisville Community Power, a portion of revenues will be deposited in a financial reserve account and used to:

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

As required by law, the program will set rates that ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements in Eversource's distribution franchise territory. In other words, customers will be treated the same based on their circumstances. For example, any customers that opt-in after being offered the opportunity to participate during the initial enrollment period may be offered rates that reflect how market prices have changed in the intervening period.

Customers who choose not to participate in Harrisville Community Power shall not be responsible for any costs associated with the program apart from incidental costs incurred by the Town prior to the point at which the program starts producing revenue from participating customers (for example, contract review by an attorney).

After approval of this Electric Aggregation Plan and before the launch of Harrisville Community Power, all customers in the Town will be sent notifications regarding the program and offered the opportunity to participate:

Customers currently on default service provided by Eversource will be sent "opt-out"
notifications — describing the program, its implications for the Town, the rights and responsibilities of
customers, and program rates and charges — with instructions on how to decline participation, and
thereafter transferred to Harrisville Community Power if they don't opt-out. Table 1 shows the total
number and electricity usage of customers within Harrisville's territory who would receive this "optout" notification.

• Customers already served by Competitive Electric Power Suppliers will receive "opt-in" notifications describing the program and will be allowed to opt-in to the program. Table 2 shows the total number and electricity usage of customers within Harrisville's territory who would receive this "opt-in" notification.

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

Customers will be notified through a mailing, which will be posted not less than 30 days prior to the enrollment of any customers. All information will be repeated and posted at the Town's Community Power website. A public information meeting will be held within 15 days of the notification to answer program questions or provide clarification.

After launch, new customers will be provided with the default service rates of Eversource and Harrisville Community Power, and will automatically be enrolled onto Harrisville Community Power's default service unless they choose to be served by Eversource or a Competitive Electric Power Supplier.

All customers will remain free, at any time, to choose whether to take service from Harrisville Community Power, Eversource or a Competitive Electric Power Supplier.

| Table 1. Customers Eligible for Automatic Enrollment (Served by the default utility service, Eversource, as of July 2020) |                                   |      |  |  |  |  |  |  |  |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------|--|--|--|--|--|--|--|
|                                                                                                                           | Customer Count Annual Usage (MWh) |      |  |  |  |  |  |  |  |
| Municipal                                                                                                                 | 0                                 | 0    |  |  |  |  |  |  |  |
| Residential                                                                                                               | 657                               | 2798 |  |  |  |  |  |  |  |
| Commercial & Industrial                                                                                                   | 90                                | 322  |  |  |  |  |  |  |  |
| Total 747 3120                                                                                                            |                                   |      |  |  |  |  |  |  |  |

| Table 2. Customers Eligible for Voluntary Enrollment (Served by non-utility Competitive Electric Power Suppliers, as of July 2020) |     |       |  |  |  |  |  |  |
|------------------------------------------------------------------------------------------------------------------------------------|-----|-------|--|--|--|--|--|--|
| Customer Count Annual Usage (MWh)                                                                                                  |     |       |  |  |  |  |  |  |
| Municipal                                                                                                                          | 1   | 60    |  |  |  |  |  |  |
| Residential                                                                                                                        | 144 | 752   |  |  |  |  |  |  |
| Commercial & Industrial                                                                                                            | 20  | 242.5 |  |  |  |  |  |  |
| Total 165 1054.5                                                                                                                   |     |       |  |  |  |  |  |  |

Aggregated data shown in Tables 1 and 2 was provided by Eversource in July 2020.

#### 3e. Rights and Responsibilities of Program Participants

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

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

Customers will be able to ask questions of and register complaints with the Town, Eversource and the Public Utilities Commission.

Harrisville Community Power shall maintain the confidentiality of individual customer data in compliance with its obligations as a service provider under RSA 363:38 (privacy policies for individual customer data; duties and responsibilities of service providers) and other applicable statutes and PUC rules. Confidential data includes individual customers' name, service address, billing address, telephone number, account number, payment information, and electricity consumption. This data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors for Harrisville Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b).

Aggregate data that does not compromise confidentiality of individual customers may be released at the discretion of Harrisville Community Power and as required by law or regulation.

Participants will continue to be responsible for paying their bills. Harrisville Community Power will not turn off power for non-payment of utility bills. Failure to pay Harrisville Community Power bills may result in a customer being transferred to Eversource (the regulated electric distribution company, known as provider of last resort) for default energy service, payment collections and shutoffs under procedures subject to oversight by the Public Utilities Commission.

Participants are responsible for requesting any exemption from the collection of any applicable taxes and must provide appropriate documentation of such exemption to Harrisville Community Power.

### 3f. Net Metering and Group Net Metering Policies

Customers with on-site generation eligible for net energy metering (NEM) from Eversource will be offered a NEM rate from Harrisville Community Power.

Net energy metering allows for customers with certain qualified distributed generation to be billed on the basis of their net energy consumption. Customers with rooftop photovoltaic solar systems, for example, often generate more power than they consume during the middle of the day, and more power during the summer than in the winter; under a NEM tariff, such customers may be directly compensated for this excess generation or may be credited such that their surplus generation offsets their consumption over the course of the month or year.

Community Power programs have the statutory authority to "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 [NEM customers]". Furthermore, a new provision of this statute clarified that "such output shall be accounted for as a reduction to the [Competitive Electric Power Supplier or Community Power program's] wholesale load obligation for energy supply." (RSA 362-A:9, II)

This latest revision went into effect on September 15<sup>th</sup>, 2020 and was particularly important for Harrisville Community Power. As context:

- While it is intuitive that surplus NEM customer generation would offset (lower) wholesale power
  purchases, non-utility suppliers were not being appropriately credited for the power produced by
  customers. Non-utility suppliers were consequently made to pay twice, in two different ways, for the
  surplus power generated by customers:
- Non-utility suppliers had to compensate NEM customers for surplus generation in their supply rates and were simultaneously required to purchase the same amount of power from the wholesale market; and
- For NEM customers on the "alternative" NEM tariff (explained on the next page) non-utility suppliers
  then also had to purchase additional Renewable Energy Credits to comply with the Renewable
  Portfolio Standard based on the amount of surplus power being generated by such customers (but
  not appropriately credited to the supplier), even though this power was renewable.

- To a large extent, this convoluted situation arose because of the ways in which utilities, including Eversource, were not properly tracking and crediting surplus customer generation back to Competitive Electric Power Suppliers.
- As a consequence, few to no Competitive Electric Power Suppliers have been able to offer competitive NEM rates to-date — and absent this revision, Harrisville Community Power would have found it difficult to do so as well.

Suffice to say, NEM is undergoing significant and necessary revisions due to evolving statutory requirements and PUC proceedings, and the practical capabilities of Eversource's billing and data management systems to accommodate Competitive Electric Power Suppliers and Community Power programs in offering NEM generation rates to their customers.

Harrisville Community Power's objective is to fairly compensate participating NEM customers for the generation supply component of the bill, and to have Eversource's NEM tariff apply to and compensate customers for the utility's portion of the bill (transmission and distribution).

To the extent that utility systems, business processes and PUC regulations governing provision of net energy metering to Community Power program customers are unresolved, Harrisville Community Power will work with Eversource, the PUC and other Community Power programs to establish enabling rules and a net energy metering tariff that accomplishes this objective.

Eversource's billing system, in particular, has been set up to process NEM customer credits and payments in accordance with the utility's own NEM tariffs. This may limit ability Harrisville Community Power's ability to offer innovative and cost-effective NEM rates or require such rates to be billed, credited, and accounted for by Harrisville's Community Power's vendor outside of Eversource's billing system.

As context, Eversource manages billing for customers on "standard" and "alternative" NEM rates.

### **Eversource Standard (or traditional) Net Metering:**

- Applies to customers that installed generation prior to September 1, 2017.
- Calculates surplus generation in excess of consumption on a monthly basis;
- Carries forward surplus generation as a kilowatt-hour credit that reduces the customer's usage in future months (i.e., the meter "spins backwards") and reimburses customers for any credits that remain at the end of the year at a rate set by the PUC (~3-4¢ per kilowatt-hour).

### **Eversource Alternative Net Metering:**

- Applies to customers that installed generation after September 1, 2017.
- Calculates generation in excess of consumption on a monthly basis;
- Provides customers a monetary credit each month that accrues and is periodically paid out over the course of the year.

Refer to Attachment 5 for a more detailed overview of Eversource's current NEM tariffs.

In accordance with these tariffs, Eversource only provides NEM customers that installed generation after September 1, 2017 with "alternative" net metering. One potential risk is that Eversource's billing system may only allow Harrisville Community Power to offer NEM generation rates that are structured in an identical fashion. This would prevent the program from offering different NEM generation rates — including, for example, crediting excess generation in the same way that "standard" net metering used to provide customers, or more dynamic rates and innovative compensation schemes going forward — and could therefore diminish Harrisville Community Power's ability to offer customers the most cost-effective NEM options.

In this event, Harrisville Community Power may seek to contract with vendors capable of billing NEM customers directly, and otherwise capable of incorporating NEM surplus generation impacts into the program's wholesale power purchases and Renewable Portfolio Standard compliance requirements, so that the program is able to offer the most cost-effective NEM rates to customers.

For NEM customers that are not qualified to produce Renewable Energy Credits (RECs), Harrisville Community Power may also seek a vendor that can install the necessary metering and qualify the customer to generate RECs in exchange for receiving some portion of those RECs. Such an arrangement might increase the compensation rate for exports to the grid by such customers.

Regardless, the exact terms, conditions, and rates for compensating or crediting net metered customers, including group net metered hosts and participants, will be set at duly noticed public meetings and fully disclosed to all prospective NEM customers through the opt-out notification process and otherwise.

### 3g. Ensuring Discounts for Electric Assistance Program Participants

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. Harrisville Community Power will support income eligible customers who enroll in the Electric Assistance Program to receive their discount.

Electric Assistance Program discounts are funded by all ratepayers as part of the Systems Benefits Charge, which is charged to customers and collected by the distribution utilities. At present, the Public Utilities Commission and utilities only support provision of the discount when the customer's electricity supply charges are billed through the utility.

Harrisville Community Power consequently plans to rely on Eversource to bill all customer accounts enrolled in the Electric Assistance Program. This represents no change in the provision or funding of this program.

In the future, this may be revisited if and when the Public Utilities Commission approves rules that enable the full authorities granted to Community Power programs under SB 286 and enable suppliers such as Harrisville Community Power to provide Electric Assistance Program customers with their discount directly.

### 3h. Termination of the Program

There is no planned termination date for Harrisville Community Power.

Harrisville Community Power may be terminated by majority approval of those present and voting at Town Meeting. If so terminated, participating customers would be transferred to default service provided by Eversource, unless they elect to take service from a Competitive Electric Power Supplier.

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

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

### **Attachment 1: Legislative Background and Local Control Authorities**

In 1996, New Hampshire led the nation in being the first state to pass an Electric Utility Restructuring Act (RSA 374-F), the purpose of which was to demonopolize aspects of the power sector to give customers greater choice, lower costs, and enable market innovations. Nearly a quarter century has passed. The competitive market has seen little growth since 2013, and currently serves only one out of every five customers. Consequently, at present:

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

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

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

The purpose of RSA 53-E is quoted in full below:

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

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

The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities."

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

- · The supply of electric power
- · Demand side management
- Conservation
- · Meter reading
- · Customer service

- · Other related services
- Operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality's governing body.

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

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

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

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

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

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

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

Members serving on the current Committee are Amy Roberts, Andrea Hodson, Andrew Maneval, Colin Kennard, Doug Gline, Ned Hulbert, Ryan Stone

By law and under RSA 53-E:6, the Committee was responsible for:

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

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

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

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

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

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

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

The second Public Hearing was similarly noticed and held on February 4, 2021, to discuss public

inputs and refinements to the Community Power Electric Aggregation Plan to be presented at Town Meeting.

Following the second Public Hearing, the Committee created a final iteration of the Electric Aggregation Plan, incorporating comment and feedback.

Most notably, providing more information about rate options and Renewable Energy Certificates (Attachment 4); making substantive changes to the multi-tier rate plan (Table 3); and, providing more detail about New Hampshire's Electric Renewable Portfolio Standard (Attachment 6).

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

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

Of serious and consequential concern is legislation written and introduced by Eversource for approval by the NH House of Representative's Science, Technology, and Energy Committee — HB 315. If this legislation is passed into law, it will effectively reverse and abandon the local control and opportunities promised by RSA 53-E (October 2019) — the basis for this Warrant Article.

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

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

### **Energy Conservation (Objectives)**

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

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

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

### Implementations

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

#### **Energy Conservation**

- Adopt the most current version of an appropriate building code that subscribes to high standards for building insulation, energy efficiency, resource conservation and green building practices. The town will continuously consider emerging innovations and improvement trends in energy conservation in construction.
- 2. Consider establishing an energy conservation fund that will be used to provide for:
  - a. Energy audit grants for existing residential and commercial buildings.
  - b. Financial awards for new and existing energy-efficient buildings.
  - c. Financial incentives for effective weatherization of existing buildings and for the installation of energy-efficient features,

- such as passive solar.
- d. Rebates for the registration and use of energy-efficient vehicles and hybrid cars.
- e. Other measures that promote private energy savings.
- Engage in energy and resource conservation and promote energy-efficiency in town building and operations through:
  - a. On-going energy audits of all town and school buildings.
  - On-going implementation of cost-effective energy efficiency measures and modifications in town buildings.
  - Purchase of energy-efficient supplies and equipment, from energy-efficient light bulbs to fuel-efficient vehicles.
  - d. Energy-saving practices and policies in all town operations, such as no-vehicle idling policy.
  - e. On-going improvement and expansion of current recycling, as well as introduction of composting and other measures that further reduce waste.

### **Energy Supply & Energy Generation**

- 4. Residential Energy Generation: Develop, adopt and fund a financial incentive program for residents to install and/or upgrade domestic renewable energy systems in homes, such as solar hot water heaters, photovoltaic systems, geothermal systems or small wind turbines, to help residents become more self-reliant for their energy needs.
- 5. Public Energy Generation:
  - a. Conduct long-range studies and planning for potential community-controlled options for local, cost-effective generation of renewable energy, such as small solar and wind farms, and smaller hydro-electric facilities at existing local dams. This includes a town-specific wind assessment that identifies possible sites for wind farms, if any.
  - b. Look into possibilities for future pooled energy acquisition. Join and promote existing energy resource networks like the Monadnock Energy Resource Initiative.
- 6. Commercial Energy Generation (such as moderately sized wind or solar farms):
  - a. Identify potential methods and sites for future commercial energy generation facilities.
  - Examine their potential impacts (views, noise, wildlife) and benefits (tax revenues, discounted energy purchase for residents) to determine if, where and how such commercial projects would be appropriate and beneficial.
  - c. Proactively develop regulations by the Planning Board for potential future commercial energy generation proposals.

### **Attachment 4: Rate Options and Financial Reserves**

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

**Rate Options**. Table 3 provides an illustrative example of a multi-tiered rate structure that would be designed to meet these objectives. Details will be refined and adopted based on consultation from service providers as the program is implemented over time. Again, the program will not launch until certain conditions are met, most notably, securing rates that meet or beat the Eversource default rate at launch.

| Table 3: Multi-Tier Rate Plan Illustration (subject to refinement and adoption by the Select Board)                                               |                                                                                                                                     |                                                                                 |  |  |  |  |  |  |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|--|--|--|--|--|--|--|
| Products                                                                                                                                          | Product Attributes                                                                                                                  | Rate Comparison                                                                 |  |  |  |  |  |  |  |
| Default Service<br>(automatic<br>enrollment) 1/                                                                                                   | No increase in carbon-free energy use over NH RPS requirements 2/                                                                   | Most competitive rate, meets or beats Eversource default supply rates at launch |  |  |  |  |  |  |  |
| Green Start (Opt-up option)  Increase in carbon-free energy use, 25-50% above NH RPS requirements  TBD% of regionally sourced renewable energy 3/ |                                                                                                                                     | May be higher than or competitive with Eversource default supply rates          |  |  |  |  |  |  |  |
| Green Prime<br>(opt-up option)                                                                                                                    | Increase in carbon-free energy, 51-100% above NH RPS requirements TBD% of local, in-state, regionally sourced carbon-free energy 3/ | Higher than Eversource default supply rates                                     |  |  |  |  |  |  |  |

- 1.Customers would be enrolled in the "Default Service" product and could elect to switch to the "Green Start" or the "Green Prime" product or back to the Default Service product at any time.
- 2.Renewable Portfolio Standards (RPS): in 2021, Eversource is required to include 21.6% renewable energy in their energy supply. This will increase incrementally to 25.2% by 2025, and remain fixed thereafter absent an increase in the RPS.
- 3.To be determined (TBD): How much energy can be sourced within the region to support local and in-state renewable development. Carbon-free includes wind, solar, hydro, and nuclear energy sources.

#### Notes

Any resident or business may elect to opt out of the Community Power Plan at any time and remain with the default utility service (Eversource) or chose to take service from a Competitive Electric Power Supplier (CEPS).

For reference, the default supply rate charged by Eversource for Rate "R" (Residential Standard Service) is 6.627 cents per kWh as of mid-January 2021.

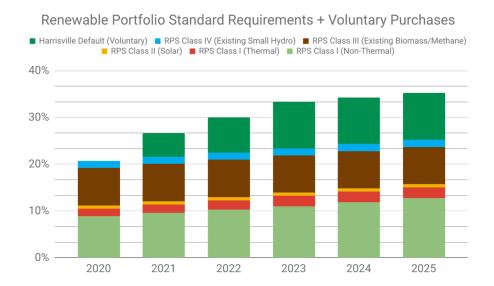
Note that Harrisville Community Power, while offering different products with varying quantities and types of renewable energy, has a goal of maintaining competitive default rates compared to Eversource. For reference:

- Eversource issues competitive solicitations for default electricity supply in May and November each year, for delivery in 6-month strips beginning in August and February;
- Default retail rates are fixed over the 6-month period for small customers (e.g., residential) and vary by month for large customers (e.g., industrial);
- As of mid-January 2021, Eversource's default supply rate for Rate "R" (Residential Standard Service) is 6.627 cents per kilowatt-hour (KWh);
- Eversource separately contracts for and otherwise acquires Renewable Energy Certificates (RECs) to satisfy its Renewable Portfolio Standard (RPS) requirements.
- For 2021, Eversource is required to include 21.6% renewable energy in their energy supply. (This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS).

New Hampshire's Renewable Portfolio Standard requires all electricity suppliers to obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the

generators came online. Harrisville Community Power could seek to procure voluntary renewables in excess of the RPS minimum requirements from "Class I" resources. (Refer to Attachment 6 for the definition of "Class I" and further details on the RPS.) And, it could seek to include as much renewable energy sourced from generating resources located in New Hampshire and New England as possible.

The chart below shows the different classes and quantities of renewable power required under the RPS between 2020 and 2025, along with Harrisville Community Power's additional voluntary purchases that exceed the RPS by 5% to 10% each year for illustrative purposes:



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

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

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

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

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

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

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

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

### **Attachment 5: Eversource Net Energy Metering Overview**

Tables 4a and 4b summarize Eversource's "standard" and "alternative" net energy metering (NEM) tariff, as approved by the PUC, for small and large customer generators. Note that NEM customers switching to Harrisville Community Power will only see a change in the Default Energy Service component of their rate (highlighted below) and may be offered different credit mechanism options for this component; Eversource will continue to credit the customer directly for all other components listed below.

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

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

### Attachment 6: New Hampshire Renewable Portfolio Standard

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

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

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

There are four distinct "classes" of renewables under the RPS, each distinguishing between different technologies and dependent upon the year that the generators came online:

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

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

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

Note the following flexibilities in meeting Class I requirements:

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

Additionally, net metered customers (primarily customers with solar photovoltaics) may register with NEPOOL and meet certain administrative requirements to track and sell their RECs. Not all customers do, however, and the REC production from such customer generators are estimated by the Public Utilities Commission each year and credited to the customer's supplier for use in complying with Class I and Class II requirements.

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

The result is that these alternative compliance payment prices essentially act as a price ceiling for the REC market in New Hampshire. The ACPs for RECs by class in recent years are:

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

For example, Eversource recently made alternative compliance payments instead of purchasing Class I thermal RECs:

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

For additional information on the Renewable Portfolio Standard, refer to:

- New Hampshire's RPS statute (RSA 362-F)
- Public Utilities Commission RPS Website
- New Hampshire Renewable Energy Fund Annual Report (1 October 2020)
- UNH Sustainability Institute Study: New Hampshire RPS Retrospective 2007 to 2015

February 19, 2021

Hon. Michael Vose Chair, Science, Technology & Energy Committee New Hampshire House 107 North Main St. Concord, NH 03301

Re: Testimony in Opposition to HB 315

Dear Rep. Vose & Members of the NH House Science, Technology & Energy Committee,

I am a City Councilor in Portsmouth and a member of the City's Sustainable Practices Committee.

Though today I simply speak as a Seacoast resident in opposition to HB 315.

I am not officially representing the views of our City Council, as we have not had a chance to review HB 315 before this hearing. However, our Mayor has joined on a letter with nine other Mayors of New Hampshire Cities in opposition to HB 315.

The Sustainable Practices Committee on which I serve has been working since last year to review opportunities for Portsmouth related to Community Power. In fact, at our meeting last month, we were in the process of preparing a work session this year for the City Council and community of Portsmouth to formalize our pursuit of a Community Power Program and potentially join the Community Power New Hampshire coalition.

We are concerned that HB 315 will hamper the pursuit of community power for the benefit of our municipality and taxpayers. It greatly limits or eliminates local control and community customer choice for competitive electricity services. It would hurt our ability to source electricity from local renewables like solar power.

As there was some question in your committee's public discussions thus far, I do want to share that there is significant interest in Portsmouth for Community Aggregation and Community Power.

Neither our City Council nor the Sustainability Committee have yet had the opportunity to discuss this topic or HB 315 specifically with bill sponsor Rep. Cali-Pitts or committee member Rep. Somssich, both from Portsmouth, but would welcome the opportunity to do so.

Finally, I did want to express agreement with Rep. Somssich's comment during the Feb. 12 part of the public hearing regarding residential confidence in the opportunity to choose alternative suppliers. With our municipality reviewing Community Power opportunities we can increase the likelihood of our residents being comfortable to enjoy the advantages of competition to source less expensive power and/or power sourced from renewables.

Thank you for the opportunity to share my views.

Cliff Lazenby 303 McKinley Rd.

Portsmouth, NH 03801

LazenbyforPortsmouth@gmail.com



### TOWN OF RYE • OFFICE OF SELECTMEN 10 Central Road Rye, NH 03870-2522 (603) 964-5523 • Fax (603) 964-1516

February 5, 2021

NH House Science, Technology & Energy Committee 107 N Main Street Concord NH 03301

Re: House Bill 315

To the Honorable Members of the NH House Science, Technology & Energy Committee,

We respectfully request that you vote "No" on House Bill 315, relative to aggregation of electric customers (HB 315).

In 2019, Governor Sununu demonstrated leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. This "Community Power Law" was supported by a bipartisan legislature. It enables municipalities to procure electric power supply on behalf of their residents and businesses. It would allow Rye to get lower prices and/or cleaner energy for all of our residents and businesses and allow us to create our own energy efficiency programs that will benefit us all. The local control RSA 53-A provides will promote competition and encourage innovation. HB 315 would severely undermine all of this.

Over the past year, the Rye Energy Committee has had many conversations and accessed a network of other local Energy Committees to learn more about the potential benefits of Community Power. Several NH communities are close to launching initial programs. Rye is hoping to spend the next 12 months researching and developing a plan that will benefit everyone in our community. House Bill 315 threatens to gut the benefits of Community Power even before we have had the chance to bring it to our voters.

Community Power aims to harness competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to Rye and other municipalities.

Please, vote "No" on HB 315.

Town Website: www.town.rye.nh.us E-mail: Selectmen@town.rye.nh.us

Thank you for taking our position on this matter into consideration.

Sincerely,

Rye Select Board

Philip D. Winslow, Chairman

William Epperson, Selectman

Mae C. Bradshaw, Selectwoman

Howard Kalet, Co-Chairman Rye Energy Committee

Representative Jaci Grote, Rockingham 24



### TOWN OF RYE • OFFICE OF SELECTMEN 10 Central Road Rye, NH 03870-2522 (603) 964-5523 • Fax (603) 964-1516

February 9, 2021

NH House Science, Technology & Energy Committee 107 N Main Street Concord, NH 03301

Re: House Bill 213

To the Honorable Members of the New Hampshire House Science, Technology & Energy Committee,

We respectfully request that you vote "No" on House Bill 213. This bill would effectively reduce New Hampshire's Renewable Energy Portfolio (RPS) from 25% in 2025 to approximately 9% in 2025.

New Hampshire's current goal of 25% renewable by 2025 lags the rest of New England in its Renewable Portfolio Standard goals. Maine is targeting 80% renewable energy sources by 2030 and 100% by 2050. Massachusetts also has a goal to be net zero by 2050. Vermont is working to achieve 75% by 2032. Connecticut and Rhode Island are also working toward higher percentages of renewable energy.

According to the Solar Energy Industries Association, New Hampshire ranks 41st in the nation for solar use as of 2020. This is down from 39th in 2019. In addition, research from Synapse Energy Economics found that solar arrays of less than 5 megawatts helped to lower energy demand, energy prices and public health costs by supplanting the burning of fossil fuels. Between 2014 and 2019, small scale solar power saved New Hampshire residents and utilities \$83 million.

Reducing the Renewable Portfolio Standard is moving in the wrong direction for New Hampshire.

Please, vote "No" on HB 213.

Thank you for taking our position on this matter into consideration.

Sincerely,

Rye Select Board

Philip D. Winslow, Chairman

William Epperson, Selectman

Mae C. Bradshaw, Selectwoman

Howard Kalet, Co-Chairman Rye Energy Committee

Representative Jaci Grote, Rockingham 24

Town Website: www.town.rye.nh.us E-mail: Selectmen@town.rye.nh.us

### Sources:

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https://www.ncsl.org/research/energy/renewable-portfolio-standards.aspx

# Cliff Sinnott 84 Park Street Exeter • New Hampshire • 03833 cliffsinnott@gmail.com

Hon. Michael Vose, Chairman Science Technology and Energy Committee LOB Room 304 House of Representatives Concord, New Hampshire, 03301

RE: HB 315, relative to aggregation of electric customers

Dear Chairman Vose and Members of the Committee:

I am writing respectfully request that you oppose House Bill 315, which would make significant and what we view as harmful changes in RSA 53E relative to the aggregation of electric customers and the development of community power initiatives in New Hampshire municipalities.

As you know RSA 53E was significantly enhanced by Senate Bill 286 In 2019 to remove obstacles to the development of local electric aggregation markets in our state. It enables New Hampshire municipalities to procure, on behalf of their residents and businesses, electricity and related services. It provides a measure of local control and competition in determining the mix and cost of energy sources to available to customers. As it is developing now in our state, community power aims to harness competitive markets and economies of scale to help lower energy costs and give communities greater choice in where and how their energy is generated.

The changes to RSA 53E, made less than two years ago, have generated a great deal of renewed interest in electric aggregation across the state, including in our community. As a member of Exeter's Local Energy Committee, I along with other members have been preparing our own electric aggregation effort. Now, however, as we are about to begin the development of a local electric aggregation plan for our Town, HB315 threatens to change the viability of municipal aggregation and stop us in our tracks. We ask that you not do that, and instead allow these energy markets to develop without burdensome regulations and restrictions.

House Bill 315 will have the effect of undercutting the viability of electric aggregation and community power by requiring all energy services to be offered through a utility. This will stifle competition in these services and reduce opportunities to lower the cost of these services. It also appears to subject local community power initiatives to regulation by the Public Utilities Commission, which will be, in effect, a 'poison pill' for most such efforts.

We recognize that there are some modest changes that are needed in RSA 53E. Senate Bill 91, an omnibus energy bill address at least some of the needed changes without undercutting the opportunity 53E creates as is for the successful development of community power. We urge the Committee to consider that bill as the basis for amending the law, and vote HB315 as inexpedient to legislate.

We appreciate your consideration.

Sincerely,

Cliff Sinnott, member Exeter Energy Committee

## Rebecca B. MacKenzie, LICSW 7 Glenwood Drive, Claremont, New Hampshire 03743 (603) 504-2851 reb178@myfairpoint.net

Science, Technology, and Energy Committee Re: **Opposition to HB 315** February 5, 2021

Dear Members of the Science, Technology, and Energy Committee:

I am opposed to HB 315, which "revises the procedures applicable to municipal or county aggregators and municipal electric utilities for the aggregation of energy services."

In 2019, the NH statute for the "Aggregation of Electric Customers by Municipalities and Counties" was signed into law. This gave municipalities and counties the ability to pool their buying power and choose for themselves what sources of electric power they want.

This new law is also known as "Community Power" because it gives power to the people in the community to choose for themselves what they invest in as an electric power source and the aligned services. Do they go with the same old electric utility that they've purchased their power from in the past or go with the Community Power option that has the possibility of choosing an energy source that is less expensive and/or drawn from clean energy sources that lowers their carbon footprint and addresses the climate crisis?

The Solar Energy Industries Association<sup>1</sup> reports that over the last 10 years, solar technology has decreased in price over 70 percent. Additionally, many municipalities and counties have energy policies that support upgrading their energy systems, decreasing their carbon emissions by making clean energy choices and increasing energy efficiency. These trends make Community Power an easy economic and environmentally resilient choice over the energy sources of the past.

HB 315 undermines the authority of communities to choose energy sources and related customer service, load management and energy conservation; restricts energy services that could be available through Community Power to utilities that are monopolistic; removes Community Power access to data necessary for program implementation; and subjects Community Power to unnecessary regulation by the Public Utilities Commission. HB 315 would eliminate benefits of Community Power, restricting its viability and the right of municipalities and counties to come together to govern their communities and act in their best interest.

 $<sup>^{1} \</sup>underline{\text{https://www.seia.org/solar-industry-research-}} \\ \underline{\text{data\#:}\sim:\text{text=Growth}\%20\text{in}\%20\text{Solar}\%20\text{is}\%20\text{Led,history}\%20\text{across}\%20\text{all}\%20\text{market}} \\ \underline{\%20\text{segments}}.$ 

The Community Power Coalition of New Hampshire is a public power non-profit to assist municipalities and counties who wish to work together to achieve their energy goals through civic engagement, public education and technical assistance. This Coalition opposes HB 315 due to its deleterious effects on the implementation of Community Power. The original intention of the electric aggregation law was to give communities more ability to improve their electric systems economically and environmentally. This bill strikes at the heart of this intention.

Please oppose HB 315 so municipalities and counties in NH can decide for themselves whether they want to join the Community Power Coalition, or hire another free market business to help optimize their energy choices.

Sincerely,

Rebecca MacKenzie Claremont, NH



February 5, 2021

RE: Please vote "No" House Bill 315, Relative to Aggregation of Electric Consumers

Dear Chairman Vose and Members of the Science, Technology and Energy Committee:

I am writing on behalf of the City of Keene's Energy and Climate Committee and we respectfully ask you to vote "No" on HB 315.

Our ECC committee has recently completed, and our City Council unanimously approved, a 2021 Sustainable Energy Plan which will help our community transition to 100% renewable energy for electricity by 2030 and for thermal and transportation uses by 2050. One of the lynchpins of this plan is for Keene to develop a community power aggregation program in order to offer Keene electrical users lower rates for their energy supply and more choice as to where their electricity comes from. Last fall the City hired a consultant to help us develop our Community Power plan. This plan was recently completed and submitted to the city for approval. Passage of HB 315 would have serious consequences on our ability to pursue community power aggregation and place our whole Sustainable Energy Plan in jeopardy. I submit that it would ultimately be bad for our electric utility (Eversource) because it would make it more difficult for our residents and businesses to make the transition towards electric vehicles and electrical heating systems such as heat pumps.

Over 20 years ago, New Hampshire began to deregulate the electrical power industry, a process that has saved rate payers millions of dollars by allowing competition into the marketplace. In 2019, the passage of legislation enabling municipalities and counties to provide Community Power Aggregation was in essence an extension of the deregulation process. HB 315 would be a step backwards to increase monopoly control of the electric utilities in our state.

Please allow us to continue the good work we have begun and vote "No" on HB 315.

Respectfully,

Peter D. Hansel, Chair

City of Keene Energy and Climate Committee

Dear Representative Vose and Honorable Members of the NH House Science Technology & Energy Committee:

The Enfield Energy Committee submits this letter in strong opposition to HB 315.

In October 2019, RSA 53-E <u>Aggregation of Electric Customers by Municipalities</u> and <u>Counties</u> was signed into law by Governor Sununu. Later that month, the Enfield Select Board authorized a subcommittee to work on developing a community power aggregation plan for the Town of Enfield. We are excited to work with other communities in developing a plan to encourage local control and stimulate local energy solutions.

HB 315 would greatly impact our ability to aggregate our electric power as currently allowed with RSA 53-E. HB 315 would limit competition and choice in electricity suppliers.

It is wrong for legislators to adopt a policy to undercut the existing law and to hinder opportunities and choices for municipalities and counties to purchase their supply of electricity.

We ask you to consider the implications of the passage of HB 315 and urge your opposition to this bill.

Respectfully,

Jo-Ellen Courtney, Chair

**Enfield Energy Committee** 

220 Newmarket Rd. 603-659-7575 ph

Durham, NH 03824 603-659-2548 fax

### **Durham Boat Company, Inc.**

January 28, 2021

To: Honorable Members of the New Hampshire House Science, Technology & Energy Committee

Chairman Michael Vose; Vice-Chairman Douglas Thomas; Representative Fred Plett; Representative Michael Harrington; Representative Jeanine Notter; Representative Troy Merner; Representative Lex Berezhny; Representative JD Bernardy; Representative Jose Cambrils; Representative Tom Ploszaj; Representative Nick White; Representative Peter Somssich; Representative Jacqueline Cali-Pitts; Representative John Mann; Representative Lee Oxenham; Representative Kenneth Vincent; Representative Kat McGhee; Representative Rebecca McWilliams; Representative Jacqueline Chretien; Representative Roderick Pimentel; Representative Lucius Parshall

### Subject: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

To the Honorable Members of the New Hampshire House Science, Technology & Energy Committee,

As voters and community leaders, we write to respectfully request that you vote "No" on House Bill 315, relative to aggregation of electric customers (HB 315).

In 2019, Governor Sununu demonstrated his leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. This "Community Power Law" democratizes energy by enabling cities, towns, and counites to procure and provide electricity and related services on behalf of their residents and businesses.

Over the past year, many towns and cities across the state have begun working to leverage Community Power for the benefit of their citizens. Now, before we have even had the chance to launch our initial programs, Community Power comes under threat.

House Bill 315, introduced at the request of Eversource, would gut RSA 53-E and <u>undercut the innovative potential</u> of businesses to offer customers new products and services through Community Power. This bill would strength monopoly control over competitive markets, burden communities with arduous regulations, and altogether sabotage the potential for municipalities to make their own energy supply decisions through Community Power. HB 315 entirely undermines the intent of Governor Sununu's innovative update to RSA 53-E, which was supported by a bipartisan legislature.

The purpose of RSA 53-E is to:

- "provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy suppliers..."
- "to provide such customers access to competitive markets for supplies of electricity and related services..."
- "to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities."

HB 315 undermines the purpose of RSA 53-E by:

- 1. Eliminating Community Power authority to provide electric power supply and related customer service, load management and energy conservation;
- 2. Restricting energy services available to Community Power to only monopolistic and regulated ones;
- 3. Removing Community Power access to data necessary for program implementation;
- 4. Subjecting Community Power to regulation by the Public Utilities Commission.

Community Power aims to harnesses competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to our cities and towns. But those benefits will be never be realized if HB 315 is to become law.

Community Power represents a "New Hampshire Way" forward on energy issues, one that chooses markets over mandates; local control over monopoly control; and innovation over regulation. Please do not allow this attack on Community Power to take away our local authorities.

Please, vote "No" on HB 315.

Sincerely,

Durham Boat Company, Inc.

<u>cfuerst@durhamboat.com</u> <u>jim@durhamboat.com</u>

603-659-7575

https://www.durhamboat.com

Also, Town of Durham Energy Committee Members



February 10, 2021

**RE:** House Bill 315, Relative to Aggregation of Electric Customers

Dear Members of the New Hampshire House Science, Technology & Energy Committee,

On behalf of the ten mayors listed below, I respectfully urge you to vote "No" on House Bill 315, relative to the aggregation of electric customers (HB 315).

Community Power aims to harnesses competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to New Hampshire residents and businesses, especially given the struggles that many are currently facing. But those benefits will never be realized if HB 315, without significant modification, becomes law.

As currently written, HB 315 requires that the municipality or county mail written notification to each retail electric customer within the municipality or county, while also requiring that the municipality or county only use addresses in public records of the municipality for such customers. This provision alone would make it impossible to comply with the law, since a municipality's public records do not contain the addresses of each electric customer within the municipality. In addition, HB 315 removes the requirement for the utility to share customer data after the adoption of a plan, which would make it impossible for the City to forecast our load and prepare for a successful bidding process.

In addition to making it infeasible to run a program, this bill would add layers of unnecessary regulatory review, adding time and expense to the process to develop and launch a program. The process to develop and adopt an electric aggregation plan is already rigorous and includes multiple public meetings and public hearings prior to adoption by the legislative body of the municipality or county. Requiring each individual plan to be submitted to the Public Utilities Commission for review would place an unnecessary and onerous burden on local communities.

I urge you to support the efforts of New Hampshire communities to control energy costs



and invest in clean and sustainable energy sources by voting "No" on HB 315.

Sincerely,

George Hansel, Mayor of Keene

Jim Bouley, Mayor of Concord

Jim Donchess, Mayor of Nashua

Robert Carrier, Mayor of Dover

Timothy McNamara, Mayor of Lebanon

Charlene Lovett, Mayor of Claremont

Caroline McCarley, Mayor of Rochester

Rick Becksted, Mayor of Portsmouth

Paul Grenier, Mayor of Berlin

Joyce Craig, Mayor of Manchester

#### January 30, 2021

To: Honorable Members of the New Hampshire House Science, Technology & Energy Committee

Chairman Michael Vose; Vice-Chairman Douglas Thomas; Representative Fred Plett; Representative Michael Harrington; Representative Jeanine Notter; Representative Troy Merner; Representative Lex Berezhny; Representative JD Bernardy; Representative Jose Cambrils; Representative Tom Ploszaj; Representative Nick White; Representative Peter Somssich; Representative Jacqueline Cali-Pitts; Representative John Mann; Representative Lee Oxenham; Representative Kenneth Vincent; Representative Kat McGhee; Representative Rebecca McWilliams; Representative Jacqueline Chretien; Representative Roderick Pimentel; Representative Lucius Parshall

Subject: Please Vote "No" on House Bill 315, Relative to Aggregation of Electric Customers

To the Honorable Members of the New Hampshire House Science, Technology & Energy Committee,

As voters and community leaders, we write to respectfully request that you vote "No" on House Bill 315, relative to aggregation of electric customers (HB 315).

In 2019, Governor Sununu demonstrated his leadership on energy issues when he signed into law an update to RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties. This "Community Power Law" democratizes energy by enabling cities, towns, and counites to procure and provide electricity and related services on behalf of their residents and businesses.

Over the past year, many towns and cities across the state have begun working to leverage Community Power for the benefit of their citizens. Now, before we have even had the chance to launch our initial programs, Community Power comes under threat.

House Bill 315, introduced at the request of Eversource, would gut RSA 53-E and undercut the innovative potential of businesses to offer customers new products and services through Community Power. This bill would strength monopoly control over competitive markets, burden communities with arduous regulations, and altogether sabotage the potential for municipalities to make their own energy supply decisions through Community Power. HB 315 entirely undermines the intent of Governor Sununu's innovative update to RSA 53-E, which was supported by a bipartisan legislature.

#### The purpose of RSA 53-E is to:

- "provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy suppliers..."
- "to provide such customers access to competitive markets for supplies of electricity and related services..."
- "to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities."

#### HB 315 undermines the purpose of RSA 53-E by:

- 1. Eliminating Community Power authority to provide electric power supply and related customer service, load management and energy conservation;
- 2. Restricting energy services available to Community Power to only monopolistic and regulated ones;
- 3. Removing Community Power access to data necessary for program implementation;
- 4. Subjecting Community Power to regulation by the Public Utilities Commission.

Community Power aims to harnesses competitive markets and economies of scale to help lower energy costs and give communities greater choice. We are excited about the potential benefits that Community Power can bring to our cities and towns. But those benefits will be never be realized if HB 315 is to become law.

Community Power represents a "New Hampshire Way" forward on energy issues, one that chooses markets over mandates; local control over monopoly control; and innovation over regulation. Please do not allow this attack on Community Power to take away our local authorities.

Please, vote "No" on HB 315.

Sincerely,

Craig Lazinsky

Derry NH

craiglazinsky@comcast.net

# AGGREGATION OF ELECTRIC CUSTOMERS BY MUNICIPALITIES AND COUNTIES

**53-E:1 Statement of Purpose.** – The general court finds it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services. The general court finds that aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies. The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.

11 **Source.** 1996, 192:2, eff. Aug. 2, 1996.

#### 53-E:2 Definitions. –

13 In this chapter:

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- 14 I. "Aggregation" means the grouping of retail electric customers to provide, broker, or contract
- 15 for electric power supply and energy services for such customers.
- 16 II. "Aggregator" means, unless the context indicates otherwise, a municipality or county that
- 17 engages in aggregation of electric customers within its boundaries.
- 18 III. "Commission" means the public utilities commission.
- 19 IV. "Committee" means the electric aggregation committee established under RSA 53-E:6.
- 20 V. "County" means any county within the state.
- 21 <u>V-a.</u> "Energy services" means the provision of electric power supply solely or in combination
- with any or all of the services specified in RSA 53-E:3.
- 23 VI. "Municipality" means any city, town, unincorporated place, or village district within the
- 24 state.

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- 25 **Source.** 1996, 192:2, eff. Aug. 2, 1996. 2019, 316:1, eff. Oct. 1, 2019. [This applies to remaining
  - sections unless otherwise noted. "2019, 316:1" refers to Chapter 316 NH Laws of 2019, SB 286]

#### 53-E:3 Municipal and County Authorities. –

- Any municipality or county may:

  I. Aggregate the retail electric cus
  - I. Aggregate the retail electric customers within its boundaries who do not opt out of or who consent to being included in an aggregation program.
  - II. (a) Enter into agreements and provide for energy services, specifically:
    - (1) The supply of electric power and capacity.
  - (2) Demand side management through utility or regional system operator administered management programs.
    - (3) Conservation through utility or regional system operator administered conservation and efficiency program.
    - (4) Meter reading.
- 38 (5) Customer service.
  - (6) Other related services.

**Commented [A1]:** This deletion would require CPAs to contract out all services and preclude them from using their own generation sources, such as hydro owned by the City of Nashua, to supply their CPA, unless running it through a 3<sup>rd</sup> party contract, needlessly increasing costs.

**Commented [A2]:** This is to dramatically constrain what services CPAs can offer to the most basic of aggregation models, blocking the development of competition for a whole variety of services, even if provided by 3<sup>rd</sup> parties.

Commented [A3]: This is anti-market competition to an extreme. There is no good reason why demand side management (DSM), conservation, and energy efficiency services should be limited to utility monopolies and ISO-NE programs. Working with a broker, FEL, the City of Lebanon is saving tens of thousands of dollars by reducing the "capacity tag" and charges for our two largest loads, WTP and WWTP. This is not part of a utility or ISO-NE program. CPAs would be precluded from even contracting with a broker for such services, much less "providing" them.

Commented [A4]: Eliminating this 1996 language is designed to preclude CPAs from being able to access customer meter data. In proposed CPA rules this would only be realized by mutual agreement with the utility or by order of the Commission based on a finding that it is for the public good.

Commented [A5]: This deletion would preclude a CPA from even contracting for any customer service from their broker or supplier, much less provide any themselves. Apparently Eversource believes they should have a monopoly on all customer service, even related to electricity supply, which they charge for at monopoly rates, even though they are supposed to be out of the business of electricity supply. Their function is supposed to be limited to distribution functions, not generation supply, except as a provider of last resort (their default service).

**Commented [A6]:** This wipes out the possibly of doing a whole bunch of innovations and value added services, such as improving customer power factors to reduce costs and improve power quality, assisting customers with battery storage solutions or access to community solar, etc. etc.

(7) The operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality's governing body.

(b) Such agreements may be entered into and such services may be provided by a single municipality or county, or by a group of such entities operating jointly pursuant to RSA 53-A.

53-E:3-a Municipal Aggregators Authorized. – Municipal aggregators of electricity load under this chapter, and municipalities operating municipal electric utilities under RSA 38, are expressly authorized to aggregate otherenergy services as described in RSA 53-E:3-commonly and regularly billed to customers. 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. Any such loans from other municipal enterprise funds shall be used for purposes that have a clear nexus to the primary purposes of such other funds, such as generation, storage, or sale of power generated from sites, facilities, or resources that might otherwise be operated or produced by the other enterprise fund. Nothing in this chapter shall be deemed to limit the capacity of customers to select any service or combination of services offered by such municipal aggregators or to limit the municipality from combining billing for any or all utility energy services with other municipal services.

**53-E:3-b Use of "Community Power" as a Name Reserved.** – The use of the term "Community Power" following the name of a municipality or county shall be reserved for the exclusive use by such entity as a name for proposed or approved municipal or county aggregations. Aggregations operated jointly by a group of such entities pursuant to RSA 53-A may adopt an appropriate identifying name in conjunction with the term "Community Power" as a name

Source. 2019, 316:3, eff. Oct. 1, 2019.

#### 53-E:4 Regulation. –

I. An aggregator operating under this chapter shall not be considered a utility engaging in the wholesale purchase and resale of electric power and shall not be considered a municipal utility under RSA 38. Providing electric power or energy services to aggregated customers within a municipality or county shall not be considered a wholesale utility transaction. However, a municipal or county aggregation 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, including itself.

II. The provision of aggregated electric power and energy services under this chapter shall be regulated by this chapter and any other applicable laws governing aggregated electric power and energy services in competitive electric markets.

III. Transmission and distribution services shall remain with the transmission and distribution utilities, who shall be paid for such services according to rate schedules approved by the applicable regulatory authority, which may include optional time varying rates for transmission and distribution services that may be offered by distribution utilities on a pilot or regular basis. An aggregator shall not be required to own any utility property or equipment to provide electric

An aggregator shall not be required to own any utility property or equipment to provide electric power and energy services to its customers.

IV. For the purpose of obtaining interval meter data for load settlement, the provision of energy services, and near real time customer access to such data, a municipal and county aggregator

Commented [A7]: This language and the language at the end of this paragraph has been in statute since 1996. This change is designed to block CPAs from even proposing to provide consolidated billing services as an alternative to the investor-owned utility monopoly. Texas, for example, opened consolidated billing to competition. Current language and CPA proposed rules only leaves the door open for CPAs to someday propose to do such in a litigated case at the PUC where the CPA would need to prove that it is for the public good (beneficial) to do so and it is fair to utility shareholders or other ratepayers.

Commented [A8]: See above.

**Commented [A9]:** This probably doesn't matter as other provisions in law and with ISO-NE cover this issue now. This language dates back to 1996 before other PUC & FERC rulings and other statutes addressed this.

Commented [A10]: This change, however, is very unreasonable. It precludes CPAs from being "load serving entities" (LSEs) and having a voice at the regional level. The Town of Hanover is already an LSE for its own accounts and is saving big \$\$ by doing so. Scores of municipal electric departments in New England are LSEs for supplying energy, much like CPAs should be able to do. They are quite successful at it and usually have lower and more stable rates that IOUs. There is no good reason CPAs should not also have this option, even if most choose to work with a broker and 3rd party supplier that is serves as their LSE.

Commented [A11]: Eversource has resisting providing customers with access to interval metering for two decades, even though many value-added (cost-saving) rates could be provided with such, such as time-varying rates, or the ability to reduce costly "capacity tags.". Current language only makes this a possibility by mutual agreement with the utility or by proving to the PUC that it is for the public good in a litigated case. Metering in not a natural monopoly as shown by Texas and even in NH where customers can provide their own meters, including interval meters, for Renewable Energy Credit production (RECs) that the utilities purchase.

may contribute to the cost of electric utility provided meter upgrades, jointly own revenue grade meters with an electric utility, or provide its own revenue grade electric meter, which would be in addition to a utility provided meter, subject to the commission finding in the public good and approval of the terms and conditions for such arrangements, including sharing or transfer of meter data from and to the electric distribution utility.

V. Municipal or county aggregations that supply power shall be treated as competitive electricity suppliers for the purpose of access to the electric distribution utility's electronic data interface and for ceasing operations.

VI. Municipal or county aggregations Aggregators 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.

**53-E:5 Financial Responsibility.** – Retail electric customers who choose not to participate in an aggregation program adopted under RSA 53-E:7 shall not be responsible for, and no entity shall require them to pay, any costs associated with such program, through taxes or otherwise except for electric power supply or energy services consumed directly by the municipality or county, or incidental costs, which may include costs necessary to comply with the provisions of this chapter up to the time that the aggregation starts to produce revenue from participating customers.

#### 53-E:6 Electric Aggregation Plan. –

- I. The governing body of a municipality or county may form an electric aggregation committee to develop a plan for an aggregation program for its citizens. A municipality or county may join other municipalities or counties in developing such plans.
- II. The plan shall provide 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 shall meet, at a minimum, the basic environmental and service standards established by the commission and other applicable agencies and laws concerning aggregated service.

III. The plan shall detail:

- (a) The organizational structure of the program.
- (b) Operation and funding.
- (c) 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.
  - (d) The methods for entering and terminating agreements with other entities.
  - (e) The rights and responsibilities of program participants.
- (f) How net metered electricity exported to the distribution grid by program participants, including for group net metering, will be compensated and accounted for.
- (g) How the program will ensure participants who are enrolled in the Electric Assistance Program administered by the commission will receive their discount.
  - (h) Termination of the program.

Commented [A12]: This is to ensure utility monopoly on customer meter data and force CPAs to do everything through brokers and competitive electricity suppliers. However, brokers usually do not even have access to this data, so CPAs would be precluded from getting needed data for load forecasting to put their load out to bid and get the most competitive rates. Instead they may have to lock in with a single competitive supplier before they know what they are getting into

Commented [A13]: This not only denies the possibility of innovation in providing customers with valuable new services and options but seems designed to make it impossible for CPAs to comply with the law, in effect repealing the whole chapter (RSA 53-E) as will be explained below. Customer names and addresses are required to do the required mailing to all customers. Customer account numbers are required to enroll customers. CPAs could be denied access to all those with this change in the law..

Commented [A14]: This would require communities to contract out ALL services and costs incurred before start-up A town could not even print paper copies of a proposed aggregation plan to provide to voters who are considering whether to approve it, much less pay for a legal review of any proposed contracts to provide such services. It even raises a question as to whether any paid staff time could even be involved in considering whether to even work on developing an aggregation plan, much less have any legal review of proposed contracts with a broker or supplier before the program starts. So much for local control.

Commented [A15]: This is something proposed CPAs have to plan for and take in to account. Apparently Eversource now wants a monopoly on providing net metering, even though RSA 362-A:9, II regarding net metering provides that: "municipal or county aggregators under RSA 53-E may 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." But apparently Eversource doesn't think aggregation plans should have to plan for this.

Commented [A16]: This is a low-income consumer protection provision specifically requested by the PUC in 2019. Currently the EAP discount would only be available if the are billed for their CPA charges through electric utility, so an EAP should consider that. Someday it may be possible to provide this discount with separate billing, but that is not the case today. Why Eversource wants this repealed is a complete mystery. Maybe they want a CPA to launch with separate billing and piss off low-income customers that lose their discount to discredit CPAs and reinforce their monopoly.

- IV. The committee shall approve a final plan which the committee determines is in the best, long-term interest of the municipality or county and the ratepayers.
- V. The committee shall solicit public input in the planning process and shall hold public hearings.

#### 53-E:7 Aggregation Program. –

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- I. The governing body of a municipality or county may submit to its legislative body for adoption a final plan for an aggregation program or any revision to include an opt-out default service program, to be approved by a majority of those present and voting.
- II. Once adopted, or upon revision following adoption, the plan shall be submitted to the commission for review and the commission shall determine whether the plan conforms to the requirements of this chapter and whether the plan imposes undue risk on non-participants.
- III. If the plan is adopted or once adopted is revised to include an opt-out-alternative default service, the municipality or county shall mail written notification to each retail electric customer within the municipality or county based upon the addresses in public records of the municipality or county for such customers. To enable such mailed notification and notwithstanding RSA 363:38, after an aggregation plan is duly approved the electric distribution utility or utilities serving an adopting municipality or county shall provide to such municipality or county a current list of the names and mailing addresses of all their electric customers taking distribution service within the municipality or county. Notification shall include a description of the aggregation program, the implications to the municipality or county, and the rights and responsibilities that the participants will have under the program, and if provided on an opt-out basis, the fixed rate or charges that will apply. No retail electric customer shall be included in a program in which the customer does not know all of the rates or charges the customer may be subject to at least 30 days in advance of the customer's application and has the option, for a period of not less than 30 days from the date of the mailing, to opt out of being enrolled in such program, unless the customer affirmatively responds to the notification or requests in writing to be included in the program.
- I<u>V</u>**H**. Within 15 days after notification of the plan has been sent to retail electric customers in the service area, a public information meeting to answer questions on the program shall be held.
- IV. Services proposed to be offered by or through the aggregation shall be on an opt-in basis unless the approved aggregation plan explicitly creates an opt-out alternative default energy service program where the rate or price is known at least 30 days in advance of its application and, for a period of not less than 30 days from the date notification is mailed, the customer has the opportunity to opt out of being enrolled in such program, by return postcard, website, or such additional means as may be provided. Customers who are on default service provided by an electric distribution utility shall be automatically enrolled in an aggregation provided alternative default service if they do not elect to opt out. Customers opting out will instead remain on default service. Customers taking energy service from a competitive electricity supplier shall not be automatically enrolled in any aggregation program, but may voluntarily opt in. A Nnew customers to the electric distribution utility after the notification mailing required by paragraph III shall initially be enrolled in utility provided default service unless the customer has relocated

Commented [A17]: This would be a new requirement for the PUC to review and approve electric aggregation plans adding to the PUC's already heavy work load and the phrase "whether the plan imposes undue risk on non-participants" would almost certainly trigger an adjudicated proceeding in which the electric utilities could intervene and oppose the plan, at ratepayer expense, while towns couldn't spend any taxpayer dollars to support their case, not even to print the document for filing, much less pay for staff or a lawyer or even the travel expense of a volunteer to represent them before the PUC. Written testimony might be required and the utility could serve time consuming discovery on the community. This PUC case could drag out for a year or more. Any tweak in the plan required by the PUC would require the plan to return to the legislative body fpr approval, which for town meetings could delay final approval up to 2 years. In the informal rule development process Eversource argued that CPAs should only launch on the utility's default procurement timetable (during only August or February) and they would have to lock into the rate they would offer at launch before they even knew the new utility default service rate they would be competing with. This is set up for failure and backlash if rates are increased in an opt-out program. This is contrary to the purpose statement of the chapter to enable CPAs to provide "small customers with similar opportunities to those available to larger customers in obtaining lower electric costs". Large customers are free to switch between competitive supply and default service at any time. They do so to take advantage of market opportunities. No other state has restrictions like those Eversource argued for in the informal rules discussion at the PUC.

Commented [A18]: This is really over the top – a very potent and fatal poison pill that would make it impossible for any CPA to launch, and unlike any limitation in any other state. The CPA is required to mail each retail electric customer within their community notice before launching but can only do so with addresses within their own database. Municipalities and counties do not know the names of all the utility's customers, much less their mailing addresses (think residential and commercial tenants with their own accounts). Even the addresses for property tax bills (that counties don't have) would be inadequate because the person or entity on the electric account may be different from that on tax bills.

**Commented [A19]:** Again, Eversource wants to claim a monopoly on the provision of default energy service.

within a single utility's service area and is continuing service with a competitive electricity supplier, given a choice of enrolling in utility provided default service or aggregation provided default service, where such exists. New customers shall be informed of pricing for each when they apply for service. Such new customers may also enroll with a competitive electricity supplier. On a recurring basis, but not more frequently than monthly, an aggregation may request, and the utility will provide, a list of customers within the aggregation's territory who are not enrolled with a competitive electricity supplier for the aggregation to use in identifying any new customers. New customers identified from such list who do not make such a choice shall be enrolled in the aggregation in the aggregation program, unless the customer opts-out of the aggregation default service of any geographically appropriate approved aggregation, or, if none exists, the utility provided default service. Municipal aggregations shall take priority or precedence over any county aggregations and each such aggregation shall be responsible for assuring that customers are enrolled with the correct aggregation. Customers automatically enrolled in a municipal or county provided defaultenergy services shall be free to elect to return to utility provided default service or to transfer to a competitive electricity supplier with adequate notice in advance of the next regular meter reading by the distribution utility, in the same manner as if they were on utility provided default service or as approved by the commission.

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VI. Once adopted, an aggregation plan and program may be amended and modified from time to time as provided by the governing body of the municipality or county and approved by the commission. In all cases the establishment of an opt-out default service program shall be approved as provided in paragraph I.

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VII. The commission may shall adopt rules, under RSA 541-A, to implement this chapter, including but not limited to rules governing the relationship between municipal or county aggregators and distribution utilities, metering, notice of the commencement or termination of aggregation services and products, and the reestablishment of a municipal or county aggregation that has substantially ceased to provide services. Where the commission has adopted rules in conformity with this chapter, complaints to and proceedings before the commission shall not be subject to RSA 541-A:29 or RSA 541-A:29-a.

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**53-E:8 Other Aggregators.** – Nothing in this chapter shall preclude private aggregators from operating in service areas served by municipal or county aggregators.

Source. 1996, 192:2, eff. Aug. 2, 1996.

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**53-E:9 Billing Arrangements.** – Each electric distribution utility shall offer to bill customers on behalf of competitive electric power suppliers and to pay such suppliers in a timely manner the amounts due such suppliers from customers for generation services, less a percentage of such amounts that reflects uncollectible bills and overdue payments, as approved by the commission.

Commented [A20]: This part is generally okay, though it is only needed because the utilities don't want to change their systems to make new customer enrollment in an optout CPA automatic. They want to continue to enroll new customers in utility provided default service until the CPA initiates an opt-out transfer. Not ideal, but we can live with that to help utilities avoid the cost of changing their software.

Commented [A21]: This is okay.

Commented [A22]: This would require any amendment to an electric aggregation program to be approved by the Public Utilities Commission, unnecessarily adding to their work load, likely resulting in the opening of an adjudicated case that the utility can intervene in and drag out for many months, even for years, especially since any tweak required by the PUC would necessitate taking the plan back to the legislative body – the next town meeting for towns with such.

Commented [A23]: Generally something like this could actually be helpful as some provision along these lines is needed, usually known as a Purchase of Receivables (POR) program, but there is no requirement that CPAs be treated comparably to utility provided default service, so some work is needed on this language.

#### Testimony of Henry P. Herndon

Before the New Hampshire House of Representatives Science, Technology and Energy Committee

#### In OPPOSITION of HOUSE BILL 315

#### 1. THESIS STATEMENT

RSA 53-E, the Community Power Law, can bring competition, local control, and customer choice to <u>retail</u> <u>electricity markets</u> in New Hampshire, but not if House Bill 315 is allowed to move forward and protect monopoly control. (Also, Eversource wrote the bill and is lobbying for it because it does not want market businesses to compete in offering retail electricity services that challenge its monopoly.)

#### 2. NEW HAMPSHIRE'S PROUD HISTORY OF DEREGULATION IN FAVOR OF MARKETS

In 1996, New Hampshire became the first state in the nation to "Deregulate" or "Restructure" its utility marketplace. Among others, esteemed statesmen Jeb Bradley and Clifton Below transcended petty partisanship and together smashed monopolies to make way for markets. The Granite State was not afraid to be first to give bold direction to its "public" utility monopolies — we required them to sell off their power plants and become "poles-and-wires-only" monopolies.

New Hampshire's "deregulation" ignited a wave of states to "restructure" and created competitive wholesale markets for electricity where many large generators and companies compete to generate and supply power. Markets drive down costs and give customers choices. Competition is good.

The purpose statement of New Hampshire's Restructuring Statue reads:

#### CHAPTER 374-F, ELECTRIC UTILITY RESTRUCTURING

#### Purpose -

I. The most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets.... Increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry that will require unbundling of prices and services and at least functional separation of centralized generation services from transmission and distribution services.

II. A transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire constitution which reads in part: 'Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it.' Competitive markets should provide electricity suppliers with incentives to operate efficiently and cleanly, open markets for new and improved technologies, provide electricity buyers and sellers with appropriate price signals, and improve public confidence in the electric utility industry."

<sup>&</sup>lt;sup>1</sup> RSA 374-F, Electric Utility Restructuring. http://www.gencourt.state.nh.us/rsa/html/XXXIV/374-F/374-F-mrg.htm

I call attention to this proud history because the Community Power Law (RSA 53-E), which was made modern and workable under Governor Sununu's leadership in 2019, promises to finish what deregulation started. In 1996, we called for competition in wholesale <u>AND RETAIL</u> electricity services. But in the 25 years since, we have failed to realize the true vision of a <u>competitive retail electricity marketplace</u>. Community Power is now poised to bring competition to retail electricity markets.

# 3. HOUSE BILL 315 CURTAILS MARKET CHOICE, IMPOSES REGULATION, AND PROTECTS MONOPOLY CONTROL

The scope of authorities given to Community Power and market competition under Governor Sununu's RSA 53-E update include "demand-side management," "conservation," "meter reading," "customer service" and "other related services." Opening up these <u>retail services</u> to customer choice and market forces means local control, new business innovations, distributed energy, and bottom-up New Hampshire energy options. Through Community Power, customers can gain access to new goods and services for load management, energy storage, distributed solar, thermal and transportation electrification, and more. Community Power can stimulate local economic development for NH-based energy jobs, goods and services.

House Bill 315 seeks to curtail these markets and instead impose further regulation and monopoly control. Specifically, House Bill 315 would:

- a) Eliminate Community Power authority to access competitive markets for retail electricity services (electric power supply and related customer service, meter reading, load management and energy conservation, etc.);
- b) Restrict energy services available to Community Power to only monopolistic and regulated ones;
- c) Remove Community Power access to data necessary for program implementation;
- d) Subject Community Power to regulation by the Public Utilities Commission.

#### 4. MISINFORMATION ABOUT HB 315 ADDRESSED

Proponents of HB 315 say, "House Bill 315 streamlines the rulemaking process at the Public Utilities Commission." This is misinformation, and offensive to those cities, towns, counties, businesses, and regulators who spent a year working in good faith on compromise rules, only to be blind-sided by this bill.

For over a year, stakeholders (including myself) have collaborated to draft rules that work for all parties. On December 15, 2020, 9:04am, I received an email from PUC Attorney David Weisner stating: "Henry, We currently expect the initial proposal for the [Community Power Aggregation] CPA rules to be adopted by the Commission within the next few weeks, and that adoption would begin the formal rulemaking process under RSA 541-A. Dave"

Now, as a result of the introduction of HB 315, that rulemaking process has been delayed. **HB 315 does** not streamline regulatory rules – it undercuts a year of dedicated work by many individuals and organizations and is the cause of delay.

Proponents of HB 315 say, "we have to take language on metering out of the law because costs will go up." This is misinformation. RSA 53-E lays out a narrowly defined, regulated process by which a community may seek PUC approval for meter reading under one of three scenarios:

- (i) municipality contributes to the cost of electric utility provided meters;
- (ii) jointly own meters with utility; or
- (iii) provide its own revenue grade meter.

This may only occur "subject to the commission finding in the public good." The only reason to strike this language is to protect monopoly control, and prohibit innovative businesses from providing more modern services.

Last year, Donald Maurice Kreis, the NH Consumer Advocate, accused Eversource publicly of "wasting \$42 million on outdated meters so as to thwart customer-empowering energy innovation." <sup>2</sup> The New Hampshire Grid Modernization Working Group Report explains that modern electricity meters are required to achieve the goals of Grid Modernization: (1) integrate distrusted energy resources; (2) lower Generation, Transmission & Distribution costs; (3) empower customers to use electricity efficiently and lower bills; and (4) enhance resiliency, reliability and operational efficiency of the grid. <sup>3</sup> HB 315 prevents the state from achieving these goals by continuing to thwart modern energy market innovation.

# 5. <u>EVERSOURCE-AUTHORED AMENDMENT FAILS TO ADDRESS FAILINGS OF HB 315 AND MAINTAINS INSIDOUS POISON PILLS</u>

Eversource has authored an amendment to HB 315 that professes to fix its failings. It does not.

**Eversource's amendment would force Community Power Aggregations to enroll each customer one-by-one manually.** The amendment reads, "to enable such mailed notifications... utilities serving an adopting municipality or county shall provide to such municipality or county a current list of the mailing addresses of all electric customers taking distribution service within the municipality or county." This language continues to insidiously sabotage Community Power by omitting the account numbers of customers from the data shared by utilities to Community Power Aggregations. The effect is, the only possible way for a Community Power Aggregation to obtain account numbers of customers to enroll them into the program is one-by-one from the customers themselves.

<sup>&</sup>lt;sup>2</sup> Kreis, D. April 17, 2020. "Eversource Slams the Virtual Door." *In-Depth NH: Power to the People*. Retrieved from: http://indepthnh.org/2020/04/17/eversource-slams-the-virtual-door/

<sup>&</sup>lt;sup>3</sup> Grid Modernization in New Hampshire. March 20, 2017. NHPUC. Retrieved from: <a href="https://www.puc.nh.gov/Regulatory/Docketbk/2015/15-296/LETTERS-MEMOS-TARIFFS/15-296\_2017-03-20">https://www.puc.nh.gov/Regulatory/Docketbk/2015/15-296/LETTERS-MEMOS-TARIFFS/15-296\_2017-03-20</a> NH GRID MOD GRP FINAL RPT.PDF

Community Power Aggregation is not compulsory. It merely gives customers more choices. Community Power requires local legislative approval, town meeting vote, or city council vote. Once authorized, any customer may choose to opt out. The omission of sharing customer account numbers is an insidious poison pill that sabotages Community Power.

The Eversource-authored amendment does not address:

- (i) HB 315 strips away local authorities and freedom of markets to provide services, instead imposing a monopoly on conservation, load management, customer service, and all other retail electricity services;
- (ii) HB 315 attempts to prevent inclusion of homegrown power from residents and businesses via rooftop solar and other distributed generation;
- (iii) HB 315 precludes the possibility of low- and moderate-income customers on Electric Assistance Program subsidies from participating in Community Power Aggregations;
- (iv) The numerous other failures described above and by others.

#### 6. CONCLUSION: HB 315 DOES NOT SERVE THE PUBLIC INTEREST

House Bill 315 does not serve the public interest. It serves the interest of the large corporation advocating for its passage. Please do not move this legislation forward. Please vote "Inexpedient to Legislate" or at least retain this bill to give it the careful consideration and revision it deserves.

Community Power is not compulsory. It is a means to offer communities, businesses, residents, organizations and all energy users greater choice in energy products and services. Customers can always choose whether or not they wish to participate.

Thank you for your attention in this important matter.

Sincerely and respectfully,

Henry P. Herndon

2 Tremont Street, Concord, NH 03301

An Aplan

Volunteer

From: Plainfield.ofc@plainfieldnh.org
Sent: Thursday, February 4th, 2021

**To:** <u>HouseScienceTechnologyandEnergy@leg.state.nh.us</u> **Subject:** Please Vote Inexpedient to Legislate on HB 315

To the Honorable Members of the New Hampshire House Science, Technology and Energy Committee:

I am writing to respectfully request that you vote, "no" on House Bill 315 - relative to the aggregation of electric customers.

In 2018 the Citizens of Plainfield recognized that any meaningful response to the negative effects of climate change would require local action and voted to commit to achieving a goal of 100% reliance on renewable sources of electricity by 2030.

In planning how to achieve that goal the Plainfield Energy Committee quickly confirmed that there would be no single or simple solution to reach the "ready for 100 goal". It would certainly require continued action on existing opportunities, but also significant investment in the exploration and evaluation of new possibilities such as those envisioned with the enactment of RSA 53-E.

The Plainfield Energy Committee formed an Aggregation Committee in 2019 as required under RSA 53-E to develop an Aggregation Plan and has been working on this plan in consultation with Lebanon and Hanover for the past two years. The committee welcomed the advent of RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities and Counties, as it provided an opportunity for Plainfield to join with other local towns, Cornish, Enfield, Lebanon and Hanover, in obtaining renewable energy at prices below or close to those currently charged by the utilities. The ability to join together with other towns greatly increases the pool of potential customers and provides us with far greater leverage to negotiate prices with third party energy suppliers.

If implemented, HB 315 would impose considerable additional costs on our town. For example, the legislation requires the town to submit its plan to the PUC for approval through an adjudicated proceeding which could take many months or years at the rate that PUC proceedings typically take. The proposed amendment to section **53-E:5 Financial Responsibility** would also require that the town raise non-tax money to pay for representation at these likely extended proceedings.

Under the existing RSA 53-E statute the utilities are required to provide crucial contact information to the towns, whereas HB 315 would severely limit the ability of towns to

access vital customer data – such as mailing addresses - from the utilities. This would impair the town's ability to bid for power in third party markets as they would lack data on their potential customer base. This, in turn, would severely constrain the ability of the town to obtain the competitive rates for renewable electricity which are necessary for the attainment of our 100% goal.

Another critical obstacle to utilizing Community Power Aggregation is the fact that once a town commits to becoming a Municipal Aggregator HB 315 requires that;

"the municipality or county shall mail written notification to each retail electric customer within the municipality or county based upon the addresses in public records of the municipality".

However, our town does not have access to the names or addresses of all the utilities' customers. Three different utilities serve Plainfield customers - Liberty, Eversource and the New Hampshire Electric Cooperative, neither customer names nor their mailing addresses are a matter of public record. In many cases, the customers will be renters and not appear in town records. This requirement in particular would make it impossible for many towns to become Municipal Aggregators and may justly be termed a "poison pill".

These are only a few of the problems with HB315, in toto they constitute an anticompetitive "death by a thousand cuts" and render the statute's promise, of assisting the clean energy transition, meaningless.

In spite of its relatively small size (pop~2300) Plainfield residents have completed thousands of dollars' worth of weatherization projects and installed 842 kW of individual solar photovoltaic systems, including to a 100kW PV array at the Plainfield Elementary School and a 53kW array at the Meriden Village Water District waste water treatment plant. An excellent start. But even though residents are willing to do more, not all properties offer economically viable opportunities for individual action. Important opportunities may be possible with collective participation, but are limited by the absence of necessary physical infrastructure, legislation or access to equivalent incentives.

Absent state or national action, communities like Plainfield are willing to find their own paths to reduce carbon emissions, to become more resilient and self-sufficient. At a minimum, however, we need our legislators to create a fair and stable environment for

these local solutions to take shape. Bill 315 does neither. Please vote Inexpedient to Legislate (ITL) on House Bill 315.

Respectfully and Sincerely,

#### **Plainfield Select Board**

Robert W. Taylor, Chair, Eric R. Brann, Ron C. Eberhardt.

#### **Plainfield Administration**

Stephen Halleran, Plainfield Town Administrator Brad Atwater, Plainfield Facilities Administrator

## **Plainfield Energy Committee**

Jordan Green, Steve Ladd, Jennifer Lenz, Evan Oxenham, Lee Oxenham.

# Bill as Introduced

#### **HB 315 - AS INTRODUCED**

#### 2021 SESSION

21-0533 10/08

HOUSE BILL 315

AN ACT relative to the aggregation of electric customers.

SPONSORS: Rep. Vose, Rock. 9; Rep. Cali-Pitts, Rock. 30; Rep. Harrington, Straf. 3; Rep.

Thomas, Rock. 5

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill revises the procedures applicable to municipal or county aggregators and municipal electric utilities for the aggregation of energy services.

.....

Explanation: Matter added to current law appears in **bold italics**.

Matter removed from current law appears [in brackets and struckthrough.]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

#### STATE OF NEW HAMPSHIRE

#### In the Year of Our Lord Two Thousand Twenty One

AN ACT

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relative to the aggregation of electric customers.

Be it Enacted by the Senate and House of Representatives in General Court convened:

- 1 Aggregation of Electric Customers; Definition; Aggregation. Amend RSA 53-E:2, I to read as
   2 follows:
   3 I. "Aggregation" means the grouping of retail electric customers to [provide,] broker[,] or
- contract for [electric power supply and] energy services for such customers.
   New Paragraph; Definition; Energy Services. Amend RSA 53-E:2 by inserting after paragraph
- W the following new paragraph:

  New Paragraph; Definition; Energy Services. Amend RSA 53-E:2 by inserting after paragraph

  Output
  - V-a. "Energy services" means the provision of electric power supply solely or in combination with any or all of the services specified in RSA 53-E:3.
    - 3 Municipal and County Authority; Agreements RSA 53-E:3, II is repealed and reenacted to read as follows:
      - II.(a) Enter into agreements for energy services, specifically:
        - (1) The supply of electric power and capacity.
  - (2) Demand side management through utility or regional system operator administered management programs.
    - (3) Conservation through utility or regional system operator administered conservation and efficiency programs.
    - (4) The operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality's governing body.
  - (b) Such agreements may be entered into and such services may be provided by a single municipality or county, or by a group of such entities operating jointly pursuant to RSA 53-A.
    - 4 Municipal Aggregators. Amend RSA 53-E:3-a to read as follows:
  - 53-E:3-a Municipal Aggregators Authorized. Municipal aggregators of electricity load under this chapter, and municipalities operating municipal electric utilities under RSA 38, are expressly authorized to aggregate [other] energy services [commonly and regularly billed to customers] as described in RSA 53-E:3. 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. Any such loans from other municipal enterprise funds shall be used for purposes that have a clear nexus to the primary purposes of such other funds, such as generation, storage, or sale of power generated from sites, facilities, or resources that might otherwise be operated or produced by the other enterprise fund. Nothing in this chapter shall be

# HB 315 - AS INTRODUCED - Page 2 -

- 1 deemed to limit the capacity of customers to select any service or combination of services offered by 2 such municipal aggregators or to limit the municipality from combining billing for [any or all utility] 3 energy services with other municipal services. 4 5 Regulation of Aggregators. RSA 53-E:4 is repealed and reenacted to read as follows: 5 53-E:4 Regulation. 6 I. An aggregator operating under this chapter shall not be considered a utility engaging in 7 the wholesale purchase and resale of electric power and shall not be considered a municipal utility 8 under RSA 38. 9 II. The provision of aggregated energy services under this chapter shall be regulated by this 10 chapter and any other applicable laws governing aggregated electric power and energy services in 11 competitive electric markets. 12 III. Transmission and distribution services shall remain with the transmission and 13 distribution utilities, who shall be paid for such services according to rate schedules approved by the 14 applicable regulatory authority, which may include optional time varying rates for transmission and 15 distribution services that may be offered by distribution utilities on a pilot or regular basis. An aggregator shall not be required to own any utility property or equipment to provide energy services 16 17 to its customers. 18 IV. Aggregators shall be subject to RSA 363:38 as service providers and individual customer 19 data shall be treated as confidential private information and shall not be subject to public disclosure 20 under RSA 91-A. 6 Financial Responsibility. Amend RSA 53-E:5 to read as follows: 21 22 53-E:5 Financial Responsibility. Retail electric customers who choose not to participate in an 23 aggregation program adopted under RSA 53-E:7 shall not be responsible for, and no entity shall 24require them to pay, any costs associated with such program, through taxes or otherwise except for 25 electric power supply or energy services consumed directly by the municipality or county, -or 26 incidental costs, which may include costs necessary to comply with the provisions of this chapter up 27 to the time that the aggregation starts to produce revenue from participating customers]. 28 7 Electric Aggregation Plan. Amend RSA 53-E:6, III to read as follows: 29 III. The plan shall detail: 30 (a) The organizational structure of the program. 31 (b) Operation and funding.
  - (f) [How net metered electricity exported to the distribution grid by program participants, including for group net metering, will be compensated and accounted for.

(d) The methods for entering and terminating agreements with other entities.

services are offered on an opt-in basis or on an opt-out basis [as an alternative default service].

(e) The rights and responsibilities of program participants.

Rate setting and other costs to participants, including whether energy supply

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#### HB 315 - AS INTRODUCED - Page 3 -

- 1 (g) How the program will ensure participants who are enrolled in the Electric Assistance 2 Program administered by the commission will receive their discount.
- 3 (h)] Termination of the program.
  - 8 Aggregation Program RSA 53-E:7 is repealed and reenacted to read as follows:
  - 53-E:7 Aggregation Program.

- I. The governing body of a municipality or county may submit to its legislative body for adoption a final plan for an aggregation program or any revision to include an opt-out aggregation program, to be approved by a majority of those present and voting.
- II. Once adopted, or upon revision following adoption, the plan shall be submitted to the commission for review and the commission shall determine whether the plan conforms to the requirements of this chapter and whether the plan imposes undue risk on non-participants.
- III. If the plan is adopted or once adopted is revised to include an opt-out, the municipality or county shall mail written notification to each retail electric customer within the municipality or county based upon the addresses in public records of the municipality or county for such customers. Notification shall include a description of the aggregation program, the implications to the municipality or county, and the rights and responsibilities that the participants will have under the program, and if provided on an opt-out basis, the fixed rate or charges that will apply. No retail electric customer shall be included in a program in which the customer does not know all of the rates or charges the customer may be subject to at least 30 days in advance of the customer's application and has the option, for a period of not less than 30 days from the date of the mailing, to opt out of being enrolled in such program, unless the customer affirmatively responds to the notification or requests in writing to be included in the program.
- IV. Within 15 days after notification of the plan has been sent to retail electric customers in the service area, a public information meeting to answer questions on the program shall be held.
- V. Services proposed to be offered by or through the aggregation shall be on an opt-in basis unless the approved aggregation plan explicitly creates an opt-out service program where the rate or price is known at least 30 days in advance of its application and, for a period of not less than 30 days from the date notification is mailed, the customer has the opportunity to opt out of being enrolled in such program, by return postcard, website, or such additional means as may be provided. Customers who are on default service provided by an electric distribution utility shall be automatically enrolled in an aggregation provided energy services if they do not elect to opt out. Customers opting out will remain on default service. Customers taking energy service from a competitive electricity supplier shall not be automatically enrolled in any aggregation program, but may voluntarily opt in. A new customer to the electric distribution utility after the notification mailing required by paragraph III shall initially be enrolled in utility provided default service unless the customer has relocated within a single utility's service area and is continuing service with a competitive electricity supplier. On a recurring basis, but not more frequently than monthly, an aggregation may request, and the utility

# HB 315 - AS INTRODUCED - Page 4 -

will provide, a list of customers within the aggregation's territory who are not enrolled with a competitive electricity supplier for the aggregation to use in identifying any new customers. New customers identified from such list shall be enrolled by the aggregation in the aggregation program, unless the customer opts-out of the aggregation Municipal aggregations shall take priority or precedence over any county aggregations and each such aggregation shall be responsible for assuring that customers are enrolled with the correct aggregation. Customers enrolled in a municipal or county provided energy services shall be free to elect to return to utility provided default service or to transfer to a competitive electricity supplier with adequate notice in advance of the next regular meter reading by the distribution utility, in the same manner as if they were on utility provided default service or as approved by the commission.

VI. Once adopted, an aggregation plan and program may be amended and modified from time to time as provided by the governing body of the municipality or county and approved by the commission. In all cases the establishment of an opt-out default service program shall be approved as provided in paragraph I.

VII. The commission shall adopt rules, under RSA 541-A, to implement this chapter, including but not limited to rules governing the relationship between municipal or county aggregators and distribution utilities, metering, notice of the commencement or termination of aggregation services and products, and the reestablishment of a municipal or county aggregation that has substantially ceased to provide services. Where the commission has adopted rules in conformity with this chapter, complaints to and proceedings before the commission shall not be subject to RSA 541-A:29 or RSA 541-A:29-a.

- 9 New Section; Billing Arrangements. Amend RSA 53-E by inserting after section 8 the following new section:
- 53-E:9 Billing Arrangements. Each electric distribution utility shall offer to bill customers on behalf of competitive electric power suppliers and to pay such suppliers in a timely manner the amounts due such suppliers from customers for generation services, less a percentage of such amounts that reflects uncollectible bills and overdue payments, as approved by the commission.
  - 10 Effective Date. This act shall take effect 60 days after its passage.