



# CITY OF CONCORD

## REPORT TO MAYOR AND CITY COUNCIL

FROM: Beth Fenstermacher, Director of Special Projects and Strategic Initiatives, on behalf of the Energy & Environment Advisory Committee

DATE: April 26, 2024

SUBJECT: Community Power Coalition of New Hampshire Agreements and Adoption of Policies

### **Recommendation:**

- 1) Accept this report and adopt the attached resolution which authorizes the following:
  - 1) The City Manager is authorized to enter into the Cost Sharing Agreement with the Community Power Coalition of New Hampshire (CPCNH);
  - 2) The City Manager is authorized to enter into the CPCNH Member Services Contract for the Complete Service Bundle with the City Manager as the Authorized Officer and with elections on p. 19 of the Agreement being “Yes”;
  - 3) CPCNH’s Data Security and Privacy, Energy Portfolio Risk Management, Rates, and Financial Reserves Policies are approved.

### **Background:**

On March 11, 2024, City Council adopted Resolution 9620 authorizing the City to adopt a Community Power Program for electricity supply and to join the Community Power Coalition of New Hampshire (CPCNH). The mission of CPCNH is to support its member municipalities and counties in developing and implementing electric aggregation plans pursuant to RSA 53-E, and the Energy and Environment Advisory Committee (EEAC) recommended the adoption of a Community Power Plan to achieve renewable energy goals that were adopted in July 2018.

### **Discussion**

In accordance with the approved Resolution, the City Manager signed the Joint Powers Agreement and the City was accepted as a member of CPCNH at their Board of Directors meeting on March 28, 2024. The City Manager appointed Charles (Chuck) Willing as the Member Representative and Beth Fenstermacher as the Alternate Member Representative. Please note that by becoming a member, the City is currently under no obligation to launch the program through CPCNH.

CPCNH provides an outline of key milestones and requirements to launch the program. The next step is for City Council to authorize the Community Power Program to begin procuring and

providing power supply service to the customers in Concord by entering into the Cost Sharing Agreement (CSA) and Member Services Agreement (MSA). In addition, City Council is required to formally approve five established policies: Data Security and Privacy Policy, Energy Portfolio Risk Management Policy, Retail Rates Policy, and the Financial Reserves Policy. The terms of the Agreements and Policies cannot be amended by the City prior to approval.

The Cost Sharing Agreement is used to track and allocate expenses to members of the Coalition which are incurred by CPCNH, and include the cost of securing and selling electricity supply to customers in Concord, operational and administrative costs associated with providing services and administering the organization, and facilitating project development. With respect to project development expenses, Concord will only be required to share in expenses for projects to the extent that it chooses to participate in a specific project (i.e., a community solar project).

The Member Service Agreement stipulates that a participating community may designate an Authorized Officer to take specific actions regarding one or more of the following matter: (1) the electing to delay commencing procurement, (2) specifying default and optional products; and (3) setting discretionary reserve adders. It is recommended that the City Manager be designated as the Authorized Officer for the foregoing matters.

Based on review of the Agreements and Policies, Staff notes the following:

- Upon the City's decision to launch, CPCNH will procure power for up to 12 months, or a maximum of 36 months. If at any time the City decides it is in the best interest of the taxpayers to leave CPCNH, the City will be responsible to cover the cost associated with power already procured on behalf of customers in Concord.
  - It is anticipated that this would be addressed by staying in the program until the end of the procurement agreement and/or using funds from the discretionary reserve account to the extent sufficient to cover the remaining obligation.
  - While it is very unlikely that City taxpayer funds would ever be needed to reimburse CPCNH to cover the remaining obligation, that would be an option in the event immediate withdrawal was necessary and the discretionary reserve account was insufficient to cover the remaining obligation.
- If the City opts to be part of a "project", the City is financially responsible to cover any costs if sufficient reserves are not available.
- Currently, there is no decision by the CPCNH of how "discretionary reserve funds" will be administered and managed.

### **Updates**

During the April 25, 2024 CPCNH Annual Meeting, Chuck Willing was voted into a Board of Directors seat. In addition, he was appointed to the Risk Management and Finance Committees, and Beth Fenstermacher was appointed to the Members Services & Engagement and Governance Committees.

The EEAC met with CPCNH Member Services at their April 24, 2024 meeting in order to address public outreach and engagement. A draft Public Engagement Plan was prepared and is currently under review by the City's Public Information Officer and EEAC members, and will be finalized at the May EEAC meeting.

The Draft Electric Aggregation Plan was submitted to the Public Utilities Commission (PUC) on April 15, 2024. The PUC has 60 days to approve the plan. Per RSA 53-E:7, the PUC shall approve any plan submitted unless it finds that it does not meet the requirements of the RSA chapter and applicable PUC rules. The EEAC drafted the plan using a template prepared by CPCNH that has been approved for other communities, and anticipates approval.

### **Next Steps**

Upon City Council adoption of the agreements and policies, CPCNH will start the process to launch the program in October 2024. The utility rates will be known by the end of June for the period of August 1, 2024 to January 31, 2025. At any point prior to August 12, 2024, the City may elect to delay launch. After that date, CPCNH will procure power on behalf of the City of Concord. We do not expect to launch the program without offering a lower default energy service rate than the utilities at the start.