



# CITY OF CONCORD

## REPORT TO MAYOR AND THE CITY COUNCIL

**FROM:** Energy and Environment Committee

**DATE:** June 29, 2021

**SUBJECT:** Referral to FPAC Regarding the City of Concord's Invitation to Join the Community Power Coalition of New Hampshire.

### **Recommendation:**

Accept this report and refer the request for the City Manager to sign the Joint Powers Agreement and join the Community Power Coalition of New Hampshire to the Fiscal Policy Advisory Committee.

### **Background**

On June 17, 2021, the City of Concord received an invitation from the Community Power Coalition of New Hampshire (the Coalition) to join the organization. The mission of the Coalition is to support its member municipalities and counties in developing and implementing electric aggregation plans pursuant to RSA 53-E.

The overall intention behind aggregation is for communities to procure energy at a lower rate, thereby reducing costs for ratepayers and increasing the percentage of renewable energy within the energy portfolio. This is a principal strategy of the Strategic Plan for meeting energy goals.

As a member of the Coalition, the City of Concord would have the freedom to design a community power plan that meets the City's needs by addressing costs and percentage of renewable energy in its portfolio. The Coalition intends to provide support, resources and templates, and will assist with pending changes to net metering legislation to help the development of local energy projects (such as community solar) become more financially feasible.

By joining the Coalition, the City of Concord would initially benefit from resource sharing between member entities and support in designing a community power program. If and when the City of Concord chooses to move forward with community power, the City would further benefit from shared services and economies of scale in terms of energy procurement and administrative and operational support.

At the June 23, 2021 meeting of the Energy and Environment Advisory Committee (EEAC), the Committee voted unanimously to recommend the City Council vote to join the Coalition by authorizing the City Manager to enter into the Joint Powers Agreement. The Joint Powers Agreement has been approved by the NH Attorney General for conformity with RSA 53-A which governs agreements between government units. The Coalition has also adopted Articles of Incorporation, Articles of Agreement, and By-Laws.

The Coalition has not yet been incorporated as a public nonprofit corporation. The City of Concord has been invited to join Nashua, Lebanon, Hanover, Exeter, Rye, and Harrisville in anticipation of incorporation. The City of Concord would appoint a representative to the Coalition's Board of Directors. This representative could be an elected official, staff person, or volunteer.

### **Discussion**

There is no initial up-front cost to join the Coalition. However, the Coalition's Board of Directors, on which the City of Concord would have a representative, will be developing cost-sharing agreements to pay for Coalition operations. The Joint Powers Agreement contemplates cost sharing agreements which include (1) contributions for the general operation and administration of the Coalition; (2) costs incurred for project contracts; (3) costs incurred to provide a complete service bundle (power supply procurement and management, data and billing and customer service).

The most significant costs would be incurred upon aggregation and active participation in Coalition energy procurement. The Coalition will enlist vendors to manage a portfolio of energy contracts on behalf of its collective members, and develop industry standard risk management policies and procedures to ensure long-term rate stability. By the structure of state statute and the Coalition, those costs would be recovered from revenues from the sale of electricity to residents and businesses participating in the program because no taxpayer funds are allowed to pay for the operation of a community power program. Prior to adoption of a community power program, taxpayer funds may be used to support pre-launch services the City receives from the Coalition.

Under the termination provision, the City of Concord can voluntarily withdraw from membership prior to entering into a cost-sharing agreement. Concord may also withdraw at any time subsequent to entering into a cost-sharing agreement, subject to any continuing obligations. It should be noted that the provisions governing voluntary withdrawal are set forth in the By-Laws, which can be amended by at least two-thirds of the members in attendance at a meeting.

Due to the potential to incur costs through the cost sharing agreements and the complexity of the Joint Powers Agreement, it is staff's recommendation that the Joint Powers Agreement be reviewed by the City's energy consultant. It is also staff's recommendation that the energy consultant work with the Fiscal Policy Advisory Committee, which can then make a recommendation to Council on joining the Coalition.

w/att: June 17, 2021 Invitation to join the Coalition  
Joint Powers Agreement