

Policy Paper – Barrington Community Power Proposal

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Executive Summary

- Reduced rates and/or long-term locked-in rates are already available to electric users by multiple producers without additional administrative layers of politicians and bureaucrats not suited for such an endeavor (the Town of Barrington already takes advantage of these alternative providers)
- Adds three unneeded levels of bureaucracy. It places the program in hands of the Barrington Select Board, Barrington Community Power Committee (BCPC) and Community Power Coalition of NH (CPCNH).
- The program's "flavor" is tainted heavily by far-left overtones and all existing municipality participants of the BCPC are Democrats. Many comments contained in the provided documents are indicative.
- Of the more than two dozen municipalities who have or intend to implement this power proposal, all are democrat-controlled with the exception of one.
- Maine just handily defeated the State's politician's desire to take control of electricity production and distribution by a 70/30 vote margin, the "Pine Tree Power" initiative and ballot measure.
- Any plan thrust upon Barrington Citizens must be "opt-in", not "opt-out". Its fair to say with an "opt-in" system, many would not and therefore the plan would not be able to succeed. Many will not have the knowledge, time, or ability to opt-out. I believe this is what the sponsors hope for.

Overview

I normally avoid getting involved with town-specific issues unless requested to do so by a citizen. I believe, however, as a resident of Barrington and as your State Representative you should be very aware of what is being proposed and the potential immediate and long-term effects it may have on every citizen.

There are four documents that have been produced, three of them are discussed below. Each document is identified below by its title, and each note is referenced by page. Italicized paragraphs are copied directly from the documents. My commentary is shown by bold highlighting.

INTRODUCTION TO COMMUNITY POWER

RSA allows either "opt-in" or "opt-out", BCP has chosen opt-out meaning every person will automatically be in the power program unless they take action.

New Net Metering rates

BCP Pg. 5

"...initially offer residential default rates...."

Common statement throughout plan docs. Significant in that after "initially", "competitive" is used.

Offer innovative services and generation rates to customers on an "opt-in" or "opt-up" basis (such as 100% renewable premium products, time-varying rates and Net Energy Metering generation credits for customers with solar photovoltaics)

Net Metering allows those with solar installation to have occasional excess power production forced into the grid. The supplier (example, Eversource) is forced to buy these credits at kWh retail rates. Providers normally purchase their power at wholesale rates. The difference is then spread around and borne by all other utility payers.

Be self-funded through revenues generated by participating customers; the Town will not use taxes to cover program expenses

Any start-up costs will, however, be paid for out of taxpayer funds.

Pg. 7

(this is a note to chart on “savings”)

**Assumes no opt-out, electric rates: Eversource - \$0.202/kWh, Granite Basic - \$0.158/kWh*

Table in the presentation depicts theoretical “savings” with a large differential cost. These kWh savings, however, were cherry-picked. These will not exist going forward. Differential costs will be negligible, if any. At times the rates paid by Barrington Community Power users will exceed Eversource and other providers.

Pg. 8

This Community Power Plan was developed by the Barrington Community Power Committee, nominated as an official town committee by the Barrington Select Board on July 10, 2023, with due input from the public, as required under RSA 53-E. Public hearings were held on November 2, 2023 and November 27, 2023.

Of interest that this presentation, written and available on the Town’s website to the public months ago included the underlined note above even though the meetings were in the future and not yet held.

The Community Power Committee has determined that this Community Power Plan satisfies applicable statutory requirements and is in the best, long-term interest of the Town and its residents, businesses, and other ratepayers

A group of 8 appointed members, all Democrats, have made this determination for everyone in Barrington.

If it is determined before the program is launched that Barrington Community Power will be unable to offer default electric rates that are initially lower than the fixed energy service charge rates offered by Eversource for residential customers, then implementation of the program will not move forward.

Note the use of the word “initially”. That implies that once this potential program implemented, rates may not be lower.

Pg. 9

All costs associated with operating the program will be incorporated into rates paid by Barrington Community Power customers and will not be passed on to taxpayers or customers who chose to opt-out of participating in the program. Under the terms of New Hampshire’s Community Power law (RSA 53-E):

Community Power programs must be self-funded, with ongoing costs paid for using the revenues generated by participating customers.

There will be added costs to ratepayers buried within their kWh rates, more on that later.

Municipalities are only allowed to incur incidental costs associated with implementing Community Power programs, such as the costs necessary to comply with the Community Power law, up to the time that the program starts to produce revenue from participating customers. Incidental costs should not include any costs that are more properly accounted for as capitalized or operating costs of the Barrington Community Power program.

All Barrington taxpayers will be responsible for up-front implementation costs.

Pg. 10

Simultaneously, maintaining competitive rates compared to Eversource's default service rates — as market prices, energy technologies and policies change over time — will require nimble decision-making and the ability to evolve business operations in response to changing market conditions to actively manage risk, minimize costs and maximize the creation of customer value.

This is one of the more important issues. These types of decisions are above the pay-grade of most average public servants. Expecting them to have applicable fiscal and industry knowledge is not probable.

Pg. 11

In October 2022 the Barrington Select Board voted to establish the Barrington Energy Committee. Included in the Committee Charge are the following items:

Further sustainability in Barrington by promoting energy efficiency and reducing environmental impacts

Recommend municipal energy and energy efficiency projects that would result in cost savings for Barrington.

Build awareness among residents, businesses, and other organizations regarding their energy consumption and the availability of more efficient, cost-effective, and/or renewable energy resources.

“Sustainability” is nothing more than one of many current buzzwords of the those pushing left-leaning philosophies, it means nothing. Like previous comments, these types of decisions are above the pay-grade of most average public servants.

Pg. 12

Community Resilience: Under the direction of the Select Board and the voting community, Barrington Community Power will have the ability to invest in infrastructure to add resiliency services for critical facilities such as back-up power generation and community micro-grids, to enable Barrington to respond to, withstand, and recover from adverse situations should they occur

Investing as suggested above, associated costs are going to drive kWh rates well above what regional providers can do. Those citizens who were unaware of, or knew not how to, “opt out” will find themselves paying higher rates based on the whims of a few in our local government.

the program's immediate objective is to offer competitive default supply rates compared to Eversource, and additionally offering voluntary products that retail customers may opt-up to receive as well as Net Energy Metering supply rates that allow customer generators to participate in the program.

Note that here the objective is “competitive rates”, not rates that are below what can already be had without this added bureaucracy. For those unfamiliar, Net Metering allows the few residents producing excess solar power, to force the electric supplier (for example, Eversource) to buy the excess at RETAIL SALE RATES, instead of what they pay on a wholesale basis. This means the differential between retail and wholesale is made up by all other ratepayers.

Pg. 13

The Coalition sets and adjusts rates with the objective of offering customers cost savings and expanded options

Objective only, not a guarantee or necessity of those responsible for the program's implementation and operation.

Pg. 14

Barrington Community Power may seek to procure voluntary renewables in excess of the RPS minimum requirements from "Class I" resources (as defined at <https://www.cpcnh.org/renewableportfolio-standard>). Additionally, the program could prioritize including as much renewable energy sourced from generating resources located in New Hampshire and New England as possible

Renewable energy is MORE expensive than conventional sources, as the rates included in the presentation show. Giving those in charge of this program the ability to prioritize renewable would INCREASE the kWh costs. Chart within these documents

COMMUNITY POWER PLAN STATUTORY REQUIREMENTS

Pg 15

The Barrington Select Board, with support from the Barrington Community Power committee, will oversee the program and has overall governance authority. Decisions regarding Barrington Community Power, such as updating program goals, adoption of Energy Portfolio Risk Management, Retail Rates, and Financial Reserve policies to govern the program's power procurement and rate-setting decisions, may be made at duly noticed public meetings and with support from the Community Power Committee.

If Barrington citizens allow this plan to be voted in, we will be granting broad authority to a very small group of people that could have huge negative ramifications for those who have not opted out. And again, many of the decisions noted above are above the abilities of the average elected and appointed members.

The Town will contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate the program. Services provided by third-party entities required to launch and operate the program may include portfolio risk management advisory services, wholesale Load Serving Entity (LSE) services, financial services, electronic data interchange (EDI) services with the utility, and customer notification, data management, billing, and relationship management (e.g., call center, website, etc.) services. Additional information on how Barrington Community Power will implement Load Serving Entity (LSE) services is found in Attachment 3, How Load Serving Entity Services will be Implemented.

Are town elected and appointed officials qualified for the contracting of such individuals?

Pg. 16

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) will be addressed through a combination of staff support and third-party services.

Adds embedded costs into the kWh rates.

If a single supplier is relied upon to provide all-requirements electricity on behalf of Barrington Community Power, then (1) the supply contract will be executed or guaranteed by entities that possess at least a BBB- or equivalent investment-grade rating issued by a nationally recognized statistical rating organization (NRSRO), and (2) the supplier will be required to use proper standards of management and operations, maintain sufficient insurance, and meet appropriate performance requirements for the duration of the supply contract. Alternatively, if a portfolio of contracts with multiple entities is structured to diversify counterparty credit risk exposure, and actively managed to provide for all-requirements electricity on behalf of Barrington Community Power, then counterparty credit requirements and monitoring, hedging transaction authorities, residual ISO-NE market exposure limits, and reporting requirements will be carried out in accordance with Energy Portfolio Risk

Management, Rates, and Financial Reserves policies that would be established prior to commencing procurement and implementing the program.

Puts all taxpayers of Barrington at potential risk and fiscal liability, whether opted in or out of this program.

Additionally, RSA 53-E provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Barrington Community Power with the practical ability to help customers adopt and use innovative technologies (for example, building management systems, smart thermostats, backup battery storage systems, controllable electric vehicle chargers, etc.) in ways that save money, enhance grid resiliency, and decarbonize our power supply.

The RSA grants excessive authority and power to a select few individuals. “Decarbonizing” our power supply is NOT a priority or objective of many Barrington rate payers.

Customers who choose not to participate in Barrington Community Power shall not be responsible for any costs associated with the program, apart from Town’s incidental costs incurred prior to the point at which the program starts producing revenue from participating customers (for example, contract review by legal counsel, but not any operational or capitalized costs of the program).

All taxpayers will subsidize start-up costs.

Pg. 17

Rate Setting and Costs Barrington Community Power will only launch if it is able to offer residential default rates that are initially lower than those offered by Eversource; thereafter, the program will strive to maintain competitive rates for all default service customers on an overall annual basis,

Another example of “initially”. And “strive”, not guarantee or ensure.

Pg. 19

Customers will be able to ask questions of and register complaints with the Town, Eversource and the Public Utilities Commission.

Are customers entitled to a response to their complaints, or simply the ability to file them?

Currently, customer-generators are charged their full retail rate for electricity supplied by Eversource and receive credits for electricity they export to the grid based on Eversource’ Net Energy Metering (NEM) tariffs. Barrington Community Power intends to provide new rates and terms that compensate participating customer-generators for the electricity supply component of their net metered surplus generation.

As mentioned earlier, several individuals on the BCPC already file and receive a \$5000 tax assessment exemption. One individual on the BCPC, and one individual on the Select Board, are a solar panel/power installers. Giving a committee the authority to determine net metering rates is a major conflict of interest.

Pg. 20

Barrington Community Power’s exact terms, conditions, and rates for compensating and crediting different types of NEM customer generators in the Town will be set at duly noticed public meetings and fully disclosed to all prospective NEM customers through the program’s enrollment notification process and thereafter.

Being disclosed at a meeting and allowing the Town’s voters decision authority are two separate things. As noted above, conflicts of interest exist.

The enabling services and strategies that Barrington Community Power may pursue, to benefit and encourage customers to adopt distributed generation, include but are not limited to:

Offering time-varying rates and alternative credit mechanisms to compensate customers for surplus generation;

Streamlining the establishment of new Group Net Metering and Low-Moderate Income Solar Project groups;

Facilitating interval meter and Renewable Energy Certificate (REC) meter installations for customer-generators

Same arguments as last two noted above.

COMMUNITY POWER COALITION OF NH – (Attachment 1)

Pg. 3

Members and Service Territory CPCNH is formed by 34 current municipal and county members, which represent more than 20% of New Hampshire's population. The following twelve "Wave 1" Members launched service in Spring 2023: ● The cities of, Lebanon, Nashua and Portsmouth; and the towns of Canterbury, Enfield, Exeter, Hanover, Harrisville, Peterborough, Plainfield, Rye, and Walpole. The following eleven "Wave 2" Members adopted Community Power Plans locally in 2023 and are positioned to launch service in spring 2024: ● The city of Dover and the towns of Durham, Hancock, Hudson, Newmarket, Newport, New London, Pembroke, Warner, Webster, Westmoreland. Cheshire County is a founding Member of CPCNH, and is preparing to launch the state's first County Aggregation. Several Members from New Hampshire's Androscoggin River Valley and the Androscoggin Valley Energy Collaborative are planning to develop the state's first regional Community Power Aggregation, including: ● The City of Berlin, and the towns of Randolph and Shelburne

Municipal membership of the CPC of NH is heavily tilted to a very leftward-leaning political ideology. Every one of the municipalities above (except Hudson) are democratically-controlled.

Pg 4

Staffing Strategy In May 2023, CPCNH hired its first Chief Executive Officer, Mr. Brian Callnan, who was identified as a result a rigorous and nationally competitive search process. Mr. Callnan has spent his career leading power supply and project and program development for public power agencies. Most recently, Mr. Callnan served as Vice President of Power Resources and Access at NH Electric Co-op, where he managed a portfolio of wholesale contracts to achieve lower rates for customers compared to NH's investor-owned utilities. Mr. Callnan also led the Coop's roll-out of "virtual power plants" harnessing distributed batteries and electric vehicles, along with "transactive energy rates" for customers to lower power costs. The Board will support the CEO in filling key functional roles with highly qualified staff in managerial positions to provide oversight and initiative that guide's the evolution of the agency. CPCNH anticipates that the CEO will recommend prioritizing staff capacity in the follow areas of expertise: ● Financial Management: Treasury support, budgeting, cash flow analysis, rate setting, financial controls and compliance, and reserve management. ● Member Operations and Engagement: Supporting CPCNH's Members to fully realize the objectives and potential of their Community Power programs. 2 CPCNH Public RFP Response Material:

https://drive.google.com/drive/folders/17i_JcBRu_47t0fNKdjCpTLW6XtuPXwzu5 ● Retail Services: retail customer products and services, key account management and retention, and local programs. ● Energy Portfolio Management: contract valuation, procurement, power purchase agreements, portfolio strategy, and energy risk management analytics and reporting. ● Information Technology: enterprise data management and analytics. ● Regulatory and Legislative Affairs: engagement with the Legislature, NH Department of Energy, Office of the Public Advocate, Public Utility Commission, distribution utilities, and other stakeholders on energy policy and market issues impacting CPAs.

The above section highlights some of the added administrative positions that ratepayers will be subsidizing under this community power plan.

Pg 6.

Mission and Values CPCNH's Board of Directors has subsequently adopted the mission and values below: Our mission is to foster resilient New Hampshire communities by empowering them to realize their energy goals. CPCNH will create value for our Community Power member municipalities by jointly contracting for services, developing projects and programs together, educating and engaging the public, and advocating for communities and customers at the Legislature and Public Utilities Commission. In carrying out its activities, CPCNH is guided by the following values:

- 1. Embody an inspiring vision for New Hampshire's energy future.*
- 2. Support communities to reduce energy costs and pursue economic vitality by harnessing the power of competitive markets and innovation.*
- 3. Support communities to implement successful energy and climate policies and to promote the transition to a carbon neutral energy system.*
- 4. Balance the interests of member communities who are diverse in demographics, geography and their energy goals.*
- 5. Use our shared expertise, leadership and skills to educate, empower and build the capacities of our members.*
- 6. Help communities demystify the power sector to make informed decisions.*
- 7. Facilitate collaboration and teamwork by championing diversity, equity and inclusion of people and communities of all kinds.*

As noted previously, there exists a very leftward leaning bent to this program and of its proponents. None of the underlined above has anything to do with ensuring below-market electricity rates. These are yet another indication of virtue-signaling.