

# **Kensington Community Power Community Power Plan<sup>1</sup>**



**FINAL DRAFT – January 10, 2024**

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<sup>1</sup> The Town of Kensington Community Power Plan constitutes an Electric Aggregation Plan as defined in NH RSA 53-E:6.

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## I. INTRODUCTION TO COMMUNITY POWER

New Hampshire's updated Community Power law ([RSA 53-E](#), as amended by SB 286, effective October 1, 2019) is a bipartisan policy designed to further democratize, evolve, and enhance the economic efficiency of our electric power industry.

The Legislature's intent in enacting RSA 53-E was to *"encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities."* (Refer to <https://www.cpcnh.org/legislative-context> for a summary of the legislative context and local control authorities of Community Power.) To achieve this goal, RSA 53-E authorizes local governments (cities, towns, and counties) to launch Community Power programs that:

- Provide electricity supply service to residents and businesses, who are notified and enrolled on an "opt-in" customer choice or "opt-out" default service basis and may thereafter leave or rejoin the program (by switching suppliers in advance of their next billing cycle date);
- Procure a reliable supply of "all-requirements" electricity, inclusive of Renewable Portfolio Standard requirements, with the option to participate directly in the ISO New England wholesale market (as a load-serving entity on behalf of participating customers);
- Offer a range of innovative services, products, new Net Energy Metering supply rates, and local programs to participating customers;
- Establish a joint powers agency with other Community Power programs to share services, contract for energy project developments, and facilitate related energy initiatives; and
- Work collaboratively with distribution utilities, regulators, policymakers, and innovative energy businesses to help modernize our electrical grid and market infrastructure.

Distribution utilities will continue to deliver power to all customers, regardless of whether they are supplied electricity by new Community Power programs or Competitive Electric Power Suppliers (or have chosen to switch back to utility-provided default service).

## II. OVERVIEW OF KENSINGTON COMMUNITY POWER

Kensington Community Power is a program authorized under RSA 53-E to provide electricity supply service for the Town's residents, businesses, and other types of customers. The purpose is to increase competition within the marketplace, to offer a wider range of supply choices and related energy services and to encourage innovative energy solutions to address local needs and opportunities.

This program in essence offers features that Kensington households and businesses should appreciate:

- Program participation is optional;
- Program is principally self-funded;
- Competitive rates;
- More renewable energy at affordable cost; and
- Long-term funding for local energy projects and programs.

Providing electricity supply involves being responsible for procuring electric generation (supply) to match customer loads (consumption) in real time, except when the grid goes down. The program will only launch if it is able to offer initially residential default rates that are lower than those offered by Unitil. Thereafter, the program will:

- Serve as the default electricity supplier for all Unitil customers on a default "opt-out" basis;
- 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);
- Operate on a competitive basis, in that customers may choose to switch between Kensington Community Power, service provided by Competitive Electric Power Suppliers, and utility-provided default service; and
- Be self-funded through revenues generated by participating customers; the Town will not use taxes to cover program expenses.

Unitil will continue to own and operate the distribution grid and be responsible for delivering power to all customers within the Town. Customers will continue to be charged for utility delivery services at rates set by the Public Utilities Commission.

The Board of Selectmen will (1) contract for the necessary services and power suppliers to implement and operate the program, and (2) continue to provide oversight over the program thereafter.

### **A. Customer Notification and Enrollment Process**

Prior to launch of Kensington Community Power, all eligible customers will be mailed notifications and provided the opportunity to "opt-out" or "opt-in" to the program, depending on whether they currently are on default service provided by Unitil or take service from a Competitive Electric Power Supplier:

- Customers already served by Competitive Electric Power Suppliers will be notified and may request to “opt-in” to the program; and
- Customers currently on default energy service provided by Unitil will be notified, provided the opportunity to decline participation (“opt-out”), and thereafter transferred to Kensington Community Power if they do not opt-out within 30 days.

Notifications to customers on utility-provided default service will: include the initial fixed rate for the program’s default service compared with the Unitil’s rate, be mailed to customers at least 30 days in advance of program launch, provide details of service for various customer groups including exceptions to automatic enrollment, and provide instructions for customers to decline participation (for example, returning a postcard, calling a phone number, sending an email, or using a web portal).

Examples of customer service websites and web portals are available at [www.CommunityPowerNH.gov](http://www.CommunityPowerNH.gov).

After the launch of Kensington Community Power, any new customers starting service within the Town will be given a similar opt-out notice and will be transferred onto default service provided by the program, unless they choose to take energy service from Unitil or a Competitive Electric Power Supplier.

All customers on Kensington Community Power default service will remain free to switch back to the energy supply service provided by their utility, or to take energy service from a Competitive Electric Power Supplier.

## B. Customer Accounts and Electricity Usage Estimates

The tables below show the total number and annual electricity usage of Unitil customers within Kensington’s territory who would initially receive either “opt-out” or “opt-in” notifications:

<b><i>KENSINGTON - Aggregated data provided by Unitil for the 12 months ending November, 2023</i></b>						
<b>CustomerType</b>	<b><u>Utility Default Supply Customers</u></b> (Eligible for Opt-Out Notifications & Automatic Enrollment)		<b><u>Competitive Supply Customers</u></b> (Eligible for Opt-In Notifications & Voluntary Enrollment)		<b><u>Total Customers</u></b> (Combined Utility Default & Competitive Supply Customers)	
	<b>Customer Accounts</b>	<b>Annual Usage (MWh)</b>	<b>Customer Accounts</b>	<b>Annual Usage (MWh)</b>	<b>Customer Accounts</b>	<b>Annual Usage (MWh)</b>
Commercial & Industrial	68	1,118	21	108	89	1,226
Municipal	9	87	2	91	11	178
Residential	745	7,129	131	1,208	876	8,337
<b>Total Y.E. 11/23</b>	822	8,334	154	1,407	976	9,741

## C. Membership in the Community Power Coalition of New Hampshire

Kensington is a member of the not-for-profit [Community Power Coalition of New Hampshire](#) ("CPCNH" or "the Coalition"), a joint powers agency authorized under RSA 53-A ("*Agreements Between Governments: Joint Exercise of Powers*") that operates on a not-for-profit basis. The primary reason to join the Coalition is for the Kensington Community Power Committee to take advantage of the Coalition's comprehensive power agency for authorizing, launching and operating Community Power programs, but also noting that they too are a potential supplier/partner. See [Attachment 1](#) for details on the Coalition.

On November 6, 2023 the Kensington Board of Selectmen voted to enter into the Coalition's Joint Powers Agreement. The Coalition Board of Directors voted to welcome Kensington as a member on November 30, 2023. The Board of Selectmen appointed Zeke Schmois and Charlie Horn as member representatives to participate in the Coalition's membership meetings, and may delegate certain decision-making authority to them to carry out their responsibilities at the Board of Selectmen's direction.

This Community Power Plan does not require that the Town will participate in the CPCNH for the purposes of implementing and operating Kensington Community Power.

## D. Purpose of this Community Power Plan

The Community Power Committee was tasked by the Board of Selectmen to prepare this Community Power Plan, which sets forth Kensington's policy goals for our Community Power program, summarizes program governance and implementation processes, and commits Kensington Community Power to comply with applicable statutes and regulations 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 between different electric distribution utilities in their respective franchise territories; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power.

**This Community Power Plan does not otherwise commit the Town of Kensington to any defined course of action, including participation in the Coalition, for the purposes of launching the program, and does not impose any financial commitment on the Town.**

The Board of Selectmen retains the power to contract for all required program services and electricity supplies, to set rates, and to pursue related projects independently of the Coalition.

## E. Approval Process for Kensington Community Power

This Community Power Plan was developed by the Community Power Committee, nominated as an official town committee by the Board of Selectmen on October 16, 2023, with due input from the public, as required under RSA 53-E. Public hearings were held on December 12, 2023, and December 13, 2023.

The Kensington 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.

The Board of Selectmen may now submit this Plan for consideration by the voters at Town Meeting. Adoption of this Plan by the voters at a Town Meeting, by majority approval of those present and voting, establishes Kensington Community Power as an approved aggregation plan with statutory authorities defined under RSA 53-E:3 (to be exercised with due oversight and local governance, as described herein), and authorizes the Board of Selectmen, with the advice and recommendation ~~support~~ from the Kensington Community Power Committee, to arrange and contract for the necessary professional services and power supplies to launch Kensington Community Power. Once approved, the Board of Selectmen may amend the Plan at a duly noticed meeting of the Select Board.

## F. Implementation Process for Kensington Community Power

This Plan provides the Board of Selectmen a choice of two different options for implementing the program. They may decide either to:

- Hire a commercial electricity broker / consultant, and subsequently contract with a Competitive Electric Power Supplier (CEPS) to provide all the electricity and related services required to launch and operate Kensington Community Power; or
- Continue to participate in the non-profit Community Power Coalition of New Hampshire and rely on the Joint Powers Agency to provide for all the electricity and related services required to launch and operate Kensington Community Power.

Regardless of which option the Board of Selectmen chooses to implement Kensington Community Power, four things will remain constant:

- If it is determined before the program is launched that Kensington Community Power will be unable to offer default electric rates that are initially lower than the fixed energy service charge rates offered by Unitil for residential customers, then implementation of the program will not move forward. The program will not launch unless and until that condition is met.
- Customer participation in Kensington Community Power will be completely voluntary. After the electricity rates to be offered under the program are established, customers will be notified and may choose to opt-out of the program. After program launch, customers on default service provided by the program may choose to opt-out without penalty.
- Unitil will continue to deliver electricity to customers, own and operate the distribution systems (poles, wires, transformers, substations, etc.) and in most cases, provide account and billing services to customers participating in the program.
- All costs associated with operating the program will be incorporated into rates paid by Kensington 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.



- 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 Kensington Community Power program.

The implementation of Kensington Community Power will not require any upfront cost for the Town other than such incidental expenses (e.g., the staff time, counsel review of agreements, and other expenses required to comply with the Community Power law before the program starts to generate revenue).

Decisions made by the Board of Selectmen regarding how to best implement and operate Kensington Community Power, including the approval of agreements with selected service providers, will be made at duly noticed public meetings.

### *Energy Risk Management, Retail Rates, and Financial Reserve Policies*

Kensington Community Power's ability to maintain competitive rates, as market prices and Unitil default rates change over time, is a primary goal for the program. Competitive rates will significantly reduce the risk that customers opt-out of Kensington Community Power and allow the program to achieve our medium- to long-term goals.

To proceed with launching and operating Kensington Community Power through the Coalition:

- The Board of Selectmen would review and approve execution of the Coalition's Cost Sharing Agreement and Member Services Contract, along with the Data Security and Privacy Policy and the Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies approved by the Coalition's Board of Directors.<sup>2</sup>
- The Coalition would provide the services and credit support necessary to launch and operate Kensington Community Power (along with the programs of other municipalities across the state) and would provide all-requirements electricity to customers participating in the programs.
- Confidential customer data would be handled in accordance with the Data Security and Privacy Policy.
- Power procurement and energy portfolio risk management, rate setting, and the accrual of financial reserves for the program would be carried out in accordance with the Coalition's Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies.
- The Coalition would collect revenues from program customers on the Town's behalf and would recover expenses incurred on behalf of Kensington Community Power in accordance with the Cost Sharing Agreement.

Governance of the power agency will be carried out pursuant to the Coalition's Joint Powers Agreement. The Coalition's Board of Directors and committees of Member Representatives — the Executive Committee, Finance Committee, Risk Management Committee, Member Operations and Engagement Committee, Regulatory and Legislative Affairs Committee, Audit Committee, etc. —

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<sup>2</sup> CPCNH's (1) Joint Powers Agreement; (2) Energy Portfolio Risk Management, Retail Rates and Financial Reserves Policies; (3) Data Security and Privacy Policy; and (4) Cost Sharing Agreement and Member Services Contract are publicly available at <https://www.cpcnh.org/about> under "Key Documents."

will continue to meet regularly and carry out their responsibilities to provide oversight and direction, supported by a qualified CEO and staff experts hired to provide day-to-day oversight and management the agency's service providers, operations, planning, and program development activities.

#### **G. Community Power Plan Submission to the Public Utility Commission**

Kensington will submit this final Community Power Plan to the Public Utilities Commission for review and approval as per RSA 53-E:7, II.

### III. Kensington Community Power Goals, Objectives, and Requirements

Kensington Community Power affords the Town the capacity and flexibility to realize and build on our policies pertaining to energy and infrastructure.

Our policy goals will need to be pursued through a combination of direct program activities and informed public advocacy at the Legislature and Public Utilities Commission. This will require enhanced coordination with other communities as well as advanced operational services, dedicated expertise, innovation, and sustained initiative carried out over a period of multiple years.

Simultaneously, maintaining competitive rates compared to Unitil'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.

#### A. Kensington Community Power Objectives

To achieve our policy goals, Kensington Community Power will be guided by the following objectives:

- **Lower Rates:** provide residential default rates lower than or competitive with those offered by Unitil;
- **Expanded Choices for Renewable Energy and Other Innovations:** offer optional products, such as supply options with higher and lower levels of renewable energy and time-varying rates that enable the intelligent use of customer energy technologies to reduce energy expenditures and carbon emissions on a voluntary basis;
- **Fiscal Stability & Financial Reserves:** maintain a reserve fund to ensure that the program remains able to offer competitive rates as market prices fluctuate over time;
- **Consumer Protections:** ensure that the contracts entered into on behalf of customers are fair and represent the interests of Kensington and its residents;
- **Public Advocacy:** represent the interests of Kensington and the program's customers at the Legislature, Public Utilities Commission and other relevant agencies on matters pertaining to Community Power and towards creating a more modern electric grid;
- **Cleaner, Local Power:** encourage the development of cost-effective projects to supply an affordable energy portfolio that prioritizes the use of in-state and local renewable energy;
- **Community Resilience:** support local contractor training and education programs to lower barriers to the installation of new clean energy technologies, and support projects such as back-up power supplies, efficient electric vehicle charging networks and community microgrids on critical facilities;
- **Regional Collaborations:** collaborate with municipalities, other Community Power programs and government agencies to jointly develop cost-effective local renewable generation and storage projects, electric vehicle transit fleets (such as school buses) and charging corridors, and other clean energy infrastructure developments;
- **Manage Risk, Limit Liability:** protect the Town of Kensington against any risks or liabilities

arising as a result of Community Power programs in Kensington, beyond those explicitly accepted by the Board of Selectmen as reasonable in connection with a specific Community Power program (e.g., energy procurement) or project (e.g. a renewable generation project developed by the Town).

Through strategies and initiatives like these, enabled by the scope and scale of service provided through the Coalition, Kensington Community Power intends to:

- Reduce fossil fuel consumption overall while enhancing the reliability of our electricity grid;
- Create savings and new value for customers; and
- Support the vitality and growth of local businesses.

These objectives are essential to our continued success as a vital, sustainable community.

To the extent such projects are financially prudent, Kensington Community Power will seek to develop local energy assets and generation resources, including renewable generators and battery storage, that can provide power to the program's customers cost effectively.

## **B. Near-Term Operational Requirements**

While many of the broader benefits Kensington Community Power intends to create for customers and the Town will be developed over time, the program's immediate objective is to offer competitive default supply rates compared to Unitil, and additionally offer 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.

### ***Performance Relative to Utility Default Service and Net Energy Metering Generation Rates***

Compensation to customer generators under Net Energy Metering generation rates, the timing of the program's rate setting decisions and, to a certain degree, the procurement of electricity will need to take into account Unitil's tariffs, processes and timing in regard to these activities. Refer to [Attachment 2](#) for additional documentation and discussion of these factors.

### ***Customer Rates and Products***

The table below provides an example of a default service product and optional rates that could be offered to customers relative to Unitil residential default supply rates. The rates and products depicted below are offered by Community Power Coalition of New Hampshire to at least twelve New Hampshire municipalities and effective from August 2023 through January 2024.

The Coalition sets and adjusts rates with the objective of offering customers cost savings and expanded options. Most utility rates are set from February 1 to July 31, 2023. The Coalition's default rates will change for the next utility rate period, scheduled from February 1, 2024 through July 31, 2024.

Residential, General Service, and Outdoor Lighting			
Fixed Supply Rates Effective Through January 31, 2024			
<u>Renewable Content</u>	<u>Power Option</u>	<u>Rate (¢/kWh)</u>	<u>Estimated Cost*</u>
23.4%	Granite Basic (default power option)	10.9¢	± \$65 / month
33%	Granite Plus	11.3¢	± \$68 / month
50%	Clean 50	12.3¢	± \$74 / month
100%	Clean 100	15.2¢	± \$91 / month
23.4%	<i>Unitil -Residential</i>	13.257	± \$80 / month
23.4%	<i>Unitil – General Service</i>	12.794¢	± \$77 / month

\*Based on usage of 600 kWh per month

The products that Kensington Community Power initially offers to customers, and the rates charged for each product, will be refined and finalized in advance of program launch.

#### *Renewable Portfolio Standard Requirements*

New Hampshire’s Renewable Portfolio Standard (RPS) requires all electricity suppliers to obtain Renewable Energy Certificates (RECs) for four distinct “classes” of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

Unitil and other electricity suppliers are required to including the following amounts of renewable energy in their energy supply:

- For 2023, 23.4% renewable.
- For 2024, 24.3% renewable.
- For 2025, 25.2% renewable.

Absent an increase in the RPS, these minimum compliance requirements will remain fixed thereafter.

Kensington 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/renewable-portfolio-standard>). Additionally, the program could prioritize including as much renewable energy sourced from generating resources located in New Hampshire and New England as possible.

## IV. COMMUNITY POWER PLAN STATUTORY REQUIREMENTS

The following requirements for this Community Power 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.

### **A. Organizational Structure of the Program**

Upon approval of this Plan, Kensington Community Power will be authorized to provide electricity and other related services to participating residents, businesses, and other customers in the Town.

The Board of Selectmen, with advice and recommendations~~support~~ from the Kensington Community Power Committee, will oversee the program and has overall governance authority. Decisions regarding Kensington 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, will be made at duly noticed public meetings and with advice and recommendation ~~support~~ from the Community Power Committee.

Additionally, the Board of Selectmen may direct the Community Power Committee to hold meetings for the purpose of providing community input and advisory support regarding the program.

### **B. Methods of Entering into and Terminating Agreements**

This Community Power Plan authorizes the Board of Selectmen, with advice and recommendation from the Kensington Community Power Committee, to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Kensington Community Power.

### **C. Operation and Funding**

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 Kensington Community Power will implement Load Serving Entity (LSE) services is found in [Attachment 3](#), *How Load Serving Entity Services will be Implemented*.

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.

Kensington Community Power will provide “all-requirements” electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services (to the extent not provided through Unitil), 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. (Refer to <https://www.cpcnh.org/renewable-portfolio-standard> for details regarding the requirements of Renewable Portfolio Standard statute, RSA 362-F.)

If a single supplier is relied upon to provide all-requirements electricity on behalf of Kensington 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 Kensington 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.

Additionally, RSA 53-E provides Community Power programs with meter ownership, meter reading, billing, and other related services. This authorization provides Kensington 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.

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 Unitil to adapt existing meter and billing system processes.

#### **D. Rate Setting, Costs, Enrollment Process, and Options**

Customers who choose not to participate in Kensington Community Power shall not be responsible for any costs associated with the program, apart from the 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).

### *Rate Setting and Costs*

Kensington Community Power will only launch if it is able to offer residential default rates that are initially lower than those offered by Unitil; thereafter, the program will strive to maintain competitive rates for all default service customers on an overall annual basis, as well as customers who opt-in or opt-up to receive optional retail products, while working to achieve the program's goals (as set forth in this Community Power Plan and modified from time to time at the direction of the Board of Selectmen).

As required by law, the program will ensure the 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.

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.

Changes to the program's default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.

Should the Board of Selectmen, with advice and recommendation from the Kensington Community Power Committee, choose to select a non-profit supplier, they will also adopt Energy Risk Management and Financial Reserve policies 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 meet or exceed the ongoing operating and capital costs of the program.

To ensure the financial stability of Kensington Community Power, a portion of revenues will be deposited into a financial reserve account. In general, the fund will be restricted for uses such as:

- **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 and battery storage projects), and for additional credit enhancements and purposes that lower the program's cost of service, subject to the express approval of Kensington's Board of Selectmen; and
- **Over the long term**, may also be used to directly 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 express approval of Kensington's Board of Selectmen.

### *Enrollment Process and Options*

Kensington Community Power intends to launch on an opt-out basis, providing an alternative default service to the Until provided default service rate. This format increases the number of customers, therefore improves buying power and revenue share opportunities when applicable. After approval of this Community Power Plan and before the launch of Kensington 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 Unitil** 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 be transferred to Kensington Community Power if they do not opt-out of the program prior to launch.
- **Customers already served by Competitive Electric Power Suppliers** will receive “opt-in” notifications describing the program and may request to opt-in to the program.

If Unitil has not fully implemented Public Utilities Commission rules and procedures governing Community Power Aggregation service, certain groups of customers on default service provided by the utilities may need to be offered service on an opt-in basis, and/or offered service on an opt-out basis at a future date. For example, if the utilities are unable to reliably provide the data on customer-generators necessary to offer Net Energy Metering (NEM) rates and terms, then the program may initially choose to not enroll customer-generators on an opt-out basis, as doing so could risk negatively impacting NEM customer billing and crediting procedures.

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.

Optional products, such as increased renewable power content in excess of the Renewable Portfolio Standard (RPS) requirements and other energy services, including time varying rates, may be offered on an opt-in basis.

After launch and in accordance with any applicable rules and procedures established by the Public Utilities Commission, new customers will be provided with the default service rates of Unitil and Kensington Community Power and will be transferred onto Kensington Community Power’s default service unless they choose to be served by Unitil or a Competitive Electric Power Supplier.

Customers that request to opt-in to the program may do so at the discretion and subject to the terms of Kensington Community Power.

Residents, businesses, and other electricity customers may opt-out of participating in Kensington Community Power default service at any time, by submitting adequate notice in advance of the next regular meter reading by Unitil (in the same manner as if they were on utility provided default service or as approved by the Public Utilities Commission).

Customers that have opted-in to an optional product offered by Kensington Community Power may switch back to Unitil or to take service from a Competitive Electric Power Supplier subject to any terms and conditions of the optional product.

## E. Rights and Responsibilities of Program Participants

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, Unitil and the Public Utilities Commission.

Kensington 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 Public Utilities Commission rules. Individual customer data includes information that singly or in combination can identify that specific customer including the individual customers' name, service address, billing address, telephone number, account number, payment information, and electricity consumption data.

Such individual customer data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors for Kensington Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b). [Attachment 4](#), *Customer Data Protection Plan*, details the reasonable security procedures and practices that the Town and Kensington Community Power will employ to protect individual customer data from unauthorized access, use, destruction, modification, or disclosure.

Aggregate or anonymized data that does not compromise confidentiality of individual customers may be released at the discretion of Kensington Community Power and as required by law or regulation.

Participants will continue to be responsible for paying their bills. Failure to do so may result in a customer being transferred from Kensington Community Power back to Unitil (the regulated distribution utility and provider of last resort) for default energy service, payment collections and utility shut offs under procedures subject to oversight by the Public Utilities Commission.

## **F. Net Metering and Group Net Metering Policies**

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

Currently, customer-generators are charged their full retail rate for electricity supplied by Unitil and receive credits for electricity they export to the grid based on Unitil's Net Energy Metering (NEM) tariffs.

Kensington 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.

Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from Unitil, as specified under the terms of their applicable net energy metering tariff.

For group net metering where the host customer-generator is on default service, to the extent Kensington Community Power supply rates are lower than Unitil's default service or if the host is located outside of Kensington, it may be most advantageous for the host to remain a Unitil default

service customer, while the other group members are free to switch to Kensington Community Power for their supply and continue to receive on-bill credits for their participation in the group.

Kensington 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.

Certain aspects of administering net energy metering require coordination between Unitil and Kensington Community Power. The enabling services and strategies that Kensington Community Power may pursue, to benefit and encourage customers to adopt distributed generation, include but are not limited to:

- Dual-billing customer-generators separately for supply services;
- 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; and
- Engaging at the Legislature and Public Utilities Commission to advocate for upgrades and reforms to metering and billing infrastructure and business processes to enable Net Energy Metering and other innovative services to benefit customer-generators.

For additional details regarding these enabling services and strategies, refer to:

- [Attachment 2](#) provides an in-depth discussion regarding operational and strategic opportunities to enhance net metering and group net metering through Kensington Community Power.

## **G. Ensuring Discounts for Electric Assistance Program Participants**

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. Kensington 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 System Benefits Charge, which is charged to all customers and collected by the distribution utilities.

At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility.

Kensington Community Power consequently plans to rely on Unitil to bill all customer accounts enrolled in the Electric Assistance Program. This represents no change in the provision or funding of this program.

This arrangement may be revisited if, at some point in future, the Public Utilities Commission enables Community Power programs to provide Electric Assistance Program customers with their discount directly.

## H. Termination of the Program

There is no planned termination date for Kensington Community Power.

Kensington Community Power may be terminated by majority approval of voters at Town Meeting. If so terminated, Kensington Community Power would cease operations after satisfying any obligations contractually entered into prior to termination, and after meeting any advance notification period or other applicable requirements in statute or regulation, at which point participating customers would either be transferred to default service provided by Unitil or to a Competitive Electric Power Supplier of their choosing.

Kensington 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 Unitil.

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 Board of Selectmen and in accordance with any applicable law and regulation.