# Attachments

## 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 is excerpted in full below:

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 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.*

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.*

Prior to this point, state regulators set retail customer rates to allow electric utilities to recover profits and prudently earned costs for "vertically integrated" monopoly service — spanning wholesale electricity generation, transmission, local distribution and retail customer services (metering, billing, collections, call center operations and so on).

Restructuring sought to increase competition and technological innovation in the markets for wholesale electricity supply and retail customer services, by requiring electric utilities to divest of their generation portfolios, creating a Federally regulated regional electricity market or "Independent System Operator" (ISO New England is the market operator for New England), and allowing Competitive Electric Power Suppliers (CEPs) to offer electricity supply rates and other services to retail customers.

Customers that did not choose a competitive supplier were left on "default service" provided by the electric utilities — afterwards referred to as "electric distribution companies" — which continue to be regulated by the Public Utilities Commission. The distribution utilities periodically hold auctions for competitive suppliers to bid against one another for the right to supply electricity to default service customers in large groups to competitive suppliers. (Refer to Attachment 4 for additional details on this process.)

## Status of the Competitive Market

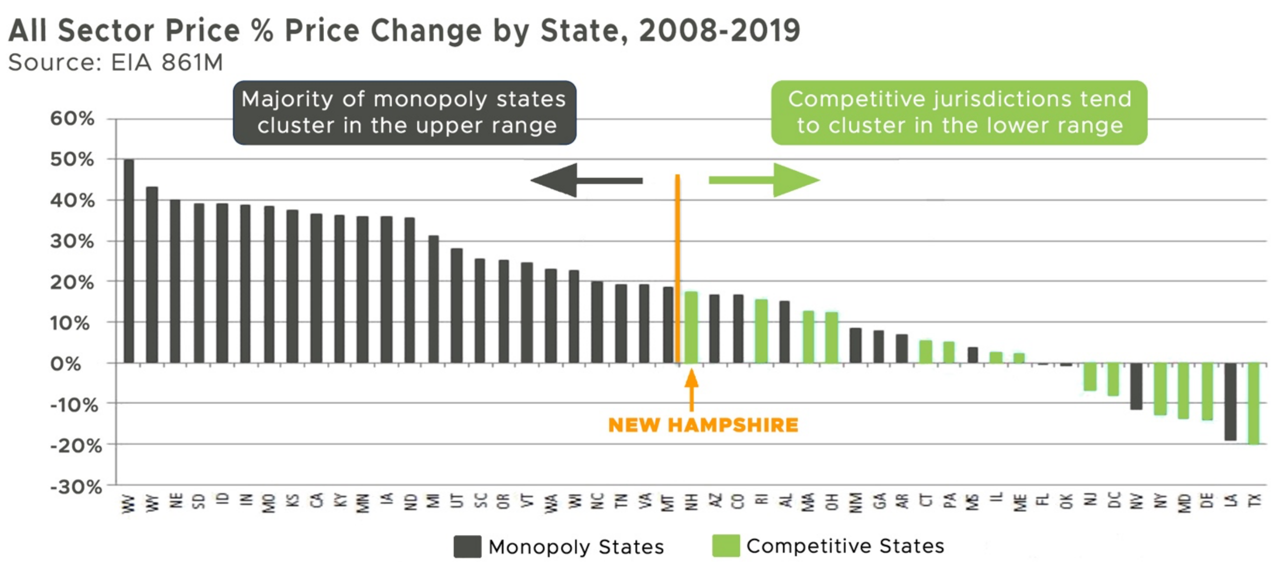
Nearly a quarter century has passed, and New Hampshire's competitive market has seen little growth since 2013. Four out of five customers remain on default service provided by the distribution utilities, and the customers that are on competitive supply only account for about half of total electricity usage.

Regulated distribution utilities continue to provide services that are not natural monopolies, and could therefore be available by competitive means, such as: default electricity supply, metering, meter data management, billing and other retail customer services (such as demand response and energy storage for smaller customers).

The continued reliance on utilities to provide these customer-facing services has necessitated state regulation over many aspects of the retail customer market. Utility regulation relies on administrative regulatory proceedings, which are necessarily more slow-moving and unable to respond to changing customer technologies and wholesale market dynamics (such as the increased price volatility caused by higher levels of renewable generation) compared to the nimbler, market-based framework envisioned under the Electric Utility Restructuring Act.

Residential customers, in particular, are not offered many rate options or clean technology innovations today: out of the 29 competitive suppliers currently offering service in New Hampshire, only nine offer service to residential customers (and only four serve customers in every distribution utility territory).

As a consequence, New Hampshire has fallen behind every other state with a restructured electricity market in terms of price competition:




Credit: *Retail Energy Supply Association, 2020.*

## The Community Power Act

In order to support the growth of competitive market services in alignment with The Electric Utility Restructuring Act, RSA 53-E (as modified by Senate Bill 286 and House Bill 315) authorizes towns, cities and counties to launch Community Power programs that replace distribution utilities as default suppliers of electricity to retail customers. The purpose of RSA 53-E is excerpted 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 programs to enter into agreements and provide for:

> *"the supply of electric power and capacity; demand side management; conservation; meter reading with commission approval for meters owned or controlled by the electric distribution utilities or used for load settlement; customer service for aggregation provided services; other related services; and 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."*

RSA 53-E further provides Community Power programs with authorities and regulatory pathways to offer more advanced meters for customers, and to provide for alternative customer billing options. Both metering and billing services are important means by which Community Power programs will be able to better engage customers and offer more innovative services that lower the energy expenditures and carbon emissions for individual customers and communities.

To enable all municipalities to work together to achieve this purpose, RSA 53-E:3 provides that "*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."*

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."*

The law further provides that Community Power programs "*shall not be required to own any utility property or equipment to provide electric power and energy services to its customers*."

Enabling locally controlled Community Power programs, in order to exercise local control over these authorities and bring in third-party competitors to provide more innovative services on a community-wide scale, represents a viable and stable pathway to animate competitive retail markets across New Hampshire — and thus realize a lower-cost, more innovative and sustainable future for both our community and all Granite Staters.

Enfield is committed to using its local control authorities granted under RSA 53-E to accelerate innovation, customer and community choice in electricity supply, the creation of new economic value, and a sustainable and resilient future for our Town of Enfield and customers.

# Attachment 2: The Community Power Coalition of New Hampshire

Enfield is a founding member of the Community Power Coalition of New Hampshire ("CPCNH" or "the Coalition"), a nonprofit joint powers agency authorized under RSA 53-A and governed by participating communities under the terms of the Joint Powers Agreement unanimously approved by Enfield's Selectboard on September 7, 2021.

The Joint Powers Agreement is available on the Coalition's webpage (http://www.cpcnh.org). The agreement includes the nonprofit's Bylaws and Articles of Agreement, and details the common purpose, authorities, structure, Board of Directors, committees, cost sharing principals, liability protections, and other aspects of the organization.

The Coalition was incorporated on October 1, 2021 by the following founding local government Members: the cities of Lebanon, Nashua and Dover; the towns of Hanover, Harrisville, Exeter, Rye, Warner, Walpole, Plainfield, Newmarket, Enfield and Durham; and Cheshire County. Since incorporation the City of Portsmouth and the towns of Hudson, New London, Pembroke and Webster have joined the Coalition.

Each Member has appointed a Director and Alternate to serve on the Coalition's Board of Directors. The Board directly oversees the initial startup and implementation activities of the Coalition.

Municipalities that adopt the Joint Powers Agreement in the future may subsequently apply for membership in the Coalition under the terms and procedures provided for under the agreement.

Since incorporating, the agency has:

- Established an Executive Committee, Finance Committee, Member Operations & Engagement Committee, Risk Management Committee, Regulatory & Legislative Affairs Committee, and CEO & Staff Search Committee
- Received approximately $135,000 in grants and donations to cover start-up administrative expenses and consulting services.
- Contracted for General Counsel legal services on an at-risk, deferred compensation basis (to be repaid after the launch of Community Power Aggregation (CPA) service) provided by Duncan Weinberg Genzer & Pembroke, P.C. with Eli Emerson from Primmer Piper Eggleston & Cramer as New Hampshire counsel.
- Contracted for technical consulting services provided by Community Choice Partners, Inc., with two-thirds compensation on an at-risk, deferred basis (to be repaid after the launch of CPA service).
- Contracted with Herndon Enterprises, LLC to provide organizational support and Member services.
- Issued a Request for Information and subsequent Request for Proposals for Comprehensive Services and Credit Support, both of which received numerous competitive responses from candidate service providers.

## Coalition Design Process

The Coalition "Organizing Group" was initially convened in December 2019, with communities interested in Community Power meeting regularly to research national best practices and explore the viability of establishing a collaborative nonprofit to share services across municipalities and counties:

- The Coalition's initial Organizing Group consisted of the cities of Lebanon and Nashua, the towns of Hanover and Harrisville, and Cheshire County;
- Technical and community advisors included representatives from both Thayer School of Engineering and Tuck School of Business at Dartmouth, the Monadnock Sustainability Hub, Clean Energy New Hampshire, Growing Edge Partners and Community Choice Partners;
- Activities were carried out in four working group tracks: Governance Agreements, Regulatory and Policy Engagement, Design and Implementation, and Community Engagement.

Members of the Coalition's Organizing Group have:

- Participated in the Community Power informal rule drafting process, including by providing the initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and leading significant portions of the subsequent stakeholder workshops at the request of Public Utilities Commission staff;
- Intervened in regulatory proceedings and legislative hearings to represent the interests of communities and customers, such as by advocating for expanded data access in the Commission's Statewide Data Platform docket, DE 19-197, and successfully negotiating the clarification and expansion of key Community Power authorities in House Bill 315;
- Assessed power agency design best practices — in terms of public governance and competitive operating models — by interviewing elected officials, senior staff and vendors operating Community Power programs in other states, along with representatives from public power associations (such as the American Public Power Association and the Vermont Public Power Supply Authority) and other industry experts; and
- Hosted a virtual summit on Community Power that was attended by over eighty representatives from thirty-one municipalities, collectively representing one-quarter of the state's default electricity market.

The City of Lebanon, using grant funding and in collaboration with the Organizing Group executed legal, community engagement and professional service contracts to help formally establish and implement the Community Power Coalition of New Hampshire.

## Joint Powers Agreement Drafting Process

The Organizing Group began by surveying other Community Power states and the broader public power industry, assessed the legal and governance structure of a selection of successful nonprofit power agencies that provide services to multiple municipal members, and interviewed staff and elected officials involved.

After discussing joint governance issues and reviewing the governance documents of comparable entities, the Organizing Group created a draft Joint Powers Agreement for the Coalition in July 2020. In September 2020, the City of Lebanon and Town of Hanover, in collaboration with the Organizing Group, reviewed six responses to a Request for Qualifications and retained the legal services of Duncan, Weinberg, Genzer & Pembroke (DWGP). The firm was hired to provide advice on key aspects of joint power agency governance and to finalize the Coalition's Joint Powers Agreement, in compliance with RSA 53-A., with additional support provided by New Hampshire counsel on a subcontracted basis. DWGP are national leaders with over 50 years in public power legal guidance, and the project was led by DWGP President Michael Postar Esq.

The Joint Powers Agreement was finalized in December 2020.

## Outreach and Implementation Process

In February 2021, the City of Lebanon, using previously secured grant funding and in collaboration with the Coalition's Organizing Group, contracted with Henry Herndon (formerly the Director of Local Energy Solutions at Clean Energy New Hampshire) and Samuel Golding of Community Choice Partners, Inc., to provide implementation support services prior to launch.

Mr. Herndon was enlisted to facilitate branding and policy communication efforts, draft an outreach strategy, compile resources and facilitate the engagement of prospective members, and onboard new members and their representatives throughout the state to the Coalition.

Mr. Golding was enlisted to advise on Community Power rule development at the Public Utilities Commission and other regulatory and legislative affairs, draft Electric Aggregation Plans and supporting municipalities through the local approval process, create educational materials and presentations, draft a business plan and budget for the Coalition, advise on Board policies and staffing, prepare vendor surveys and a request for proposals for the services and financing required to launch Community Power programs, and assist in the bid evaluation, award and contracting process.

## Attachment 3: New Hampshire's 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 Liberty Utilities, Eversource Utilities, NH Electric Coop and Enfield Community Power, to meet a certain percentage of customer load by purchasing, generating or otherwise acquiring Renewable Energy Certificates ("RECs"):

- One REC represents the renewable attributes of one megawatt-hour of electricity, or the equivalent amount of useful 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-New England (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 renewable certificates 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:
    - Class I non-thermal electricity, from generators that came online after January 1, 2006: wind, solar, small hydroelectric, methane (biologically derived such as from anerobic digestion of organic materials), biomass, hydrogen (from methane or biomass), ocean thermal, current, tidal or wave energy and also biodiesel (if produced in state).
    - 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 Year | Total RPS Requirement | Class I Non-Thermal | Class I Thermal | Class II Solar | Class III Biomass & Methane | Class IV 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% | 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) that meet certain registration and administrative requirements can track and sell their RECs (which are accounted for in NEPOOL's Generation Information System). Not all customers do, however, and the REC production from such customer generators are estimated by the Public Utilities Commission each year and applied to lower the Class I and Class II procurement requirements of the utilities and other suppliers.

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, Unitil and the New Hampshire Electric Cooperative have recently made alternative compliance payments instead of purchasing certain categories of RECs:

| 2019 | Alternative Compliance Payments (ACPs) | | | | | |
|---|---|---|---|---|---|---|
| Company | Class I | Class I Thermal | Class II | Class III | Class IV | Total |
| Liberty Utilities | $ - | $ - | $ - | $ - | $ - | $ - |
| New Hampshire Electric Cooperative | $ - | $ 187,192 | $ - | $ - | $ - | $ 187,192 |
| Eversource Energy | $ - | $ 519,893 | $ - | $ - | $ - | $ 519,893 |
| Unitil Energy Systems, Inc. | $ - | $ - | $ 1,029 | $ - | $ - | $ 1,029 |
| **Distribution Utilities Subtotal** | **$ -** | **$ 707,085** | **$ 1,029** | **$ -** | **$ -** | **$ 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

## Attachment 4: Utility Default Procurement Cycles and Rate Setting

Enfield Community Power has a goal of maintaining competitive default rates compared to their local Utilities, while also offering voluntary products that retail customers may opt-in to receive.

The timing of the program's rate setting decisions and, to a certain degree, the procurement of electricity will need to consider when their local Utility conducts these same activities (particularly for the program's default electricity product).

As context, Eversource, Liberty Utilities and Unitil all issue requests for proposals (RFPs) twice annually for competitive suppliers to assume load-serving entity obligations and supply default customers with electricity for 6-month "strip" periods, with suppliers bidding to serve individual "tranches" or segments of customers by class.

The procurement schedules, tranches and rate practices for each distribution utility are:

- **Eversource** (Public Service Company of New Hampshire): issues RFPs in May and November with bids due in early June and December for suppliers to begin serving customers in August and February, offering four ~100 MW tranches to serve small customers and a single tranche to serve large customers (five tranches in total). Retail rates are fixed over the 6-month period for small customers and vary by month for large customers.
- **Liberty Utilities**: follows the same supplier RFP schedule and retail pricing as Eversource but (1) solicits supply for small customers in a single 6-month block tranche and for large customers in two, consecutive three-month block tranches (3 tranches total), and (2) allows bidders to include and price RPS compliance obligations separately (as an additional product).
- **Unitil**: issues RFPs in March and August for delivery beginning in June and December, offering tranches of residential, small commercial, outdoor lighting and large customers classes (four tranches). The large customer RFP is structured in a distinct fashion, in that it passes through market costs for energy and so suppliers compete to price capacity, congestions, ancillary services, etc. for the large customer tranche over the 6-month term; retail rates reflect these load-serving entity costs along with the pass-through of real time locational marginal market prices (which are load-weighted by the entire class' hourly load shape i.e., not the individual large customer's usage profile). Retail rates for the residential, small commercial, and outdoor lighting classes are fixed over the 6-month term, though customers have the option to choose variable monthly pricing if the election is made prior to the start of the next 6-month term.

Supplier bids are priced in dollars per megawatt-hour ($/MWh) on a monthly basis and generally exclude Renewable Portfolio Standard (RPS) compliance obligations (called "Renewable Energy Certificates" or "RECs"), though Liberty Utilities allow RECs to be bid as a separate product. Distribution utilities typically procure most or all of their supply of RECs through competitive solicitations held separately from the auctions for default electricity service.

New Hampshire's RPS requires all electricity suppliers to procure or otherwise obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2022, Liberty Utilities is required to include 22.5% 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.

Refer to Attachment 3 for further details on the RPS.

# Attachment 5: Overview of Utility Net Energy Metering Tariffs

## Discussion of Utility Net Metering, Group Net Metering and Low-Moderate Income Solar Project Tariffs

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.

The credits and compensation customer-generators receive for electricity exported to the grid are defined under Net Energy Metering (NEM) tariffs offered by Eversource, Liberty Utilities, Unitil and the New Hampshire Electric Co-op (NHEC). Note that:

- NHEC is member-owned cooperative and as such, its rules and regulations are approved by its Board of Directors and are not subject to regulation by the Public Utilities Commission. Additional information regarding NHEC's Net Energy Metering tariffs may be found online under their "Terms and Conditions".
- The Public Utilities Commission regulates the distribution utilities' Net Energy Metering (NEM) tariffs in accordance with PUC Rule 900 and RSA 362-A:9 (refer to RSA 362-A:9, XIV specifically for Group Net Metering statutes).

The remainder of this chapter concerns NEM tariffs regulated by the Public Utilities Commission. Note that:

- NEM tariffs offered by the utilities underwent a significant change several years ago;
- Customer-generators that installed systems before September 2017 may still take service under the "NEM 1.0" tariff ("standard" or "traditional" NEM); whereas
- Systems installed after August 2017 must take service under the "NEM 2.0" tariff ("alternative NEM")
- NEM 1.0 customers are allowed to switch to taking service under the NEM 2.0 tariff, but cannot subsequently opt-back to NEM 1.0 (with limited exceptions, e.g., participation in certain pilot programs).

Under both tariffs, customer-generators are charged the full retail rate for electricity supplied by their local utility and receive credits for electricity they export to the grid for some (but not all) components of their full retail rate. Refer to the next subsection for tables comparing NEM 1.0 to 2.0 tariffs.

To appropriately measure and credit customer-generators taking service under a NEM tariff, the utility installs a bi-directional net meter that records each kilowatt-hour (kWh) supplied to the customer from the grid and also each kWh that flows back into the grid. This data is recorded and collected on a monthly billing-cycle basis.

For NEM 1.0 tariff systems (installed before September 2017), any kWh exported to the grid are netted against kWh consumed. If there is a net surplus of kWh at the end of the monthly billing period (i.e., more power was exported to the grid by the customer-generator than was consumed) those surplus or negative kWh are carried forward and can be used to offset future kWh consumption (so the customer only pays for their “net” energy consumption).

For NEM 2.0 tariff systems (installed after August 2017), all customer-generators receive a monetary credit for each kWh that is exported valued at 100% of their default electricity supply rate component for the month. Smaller systems (up to 100 kilowatts in size) additionally receive credits for 100% of the transmission component and 25% of the distribution component of their retail rate. (Larger systems, up to 1,000 kilowatts in size, only receive full credit for the electricity supply rate component.)

Note that most customer-generators in Enfield Community Power are expected to be taking service under NEM 2.0 tariffs going forward.

Any credits that accumulate over time are tracked and used to offset the customer-generator’s future electricity bills. Customers may also request to cash-out their surplus credit once a year, after their March billing cycle, if the balance exceeds $100 (or any balance in the event of moving or service disconnection). NEM 1.0 surplus balances are tracked as kWh credits and are converted to dollars at wholesale avoided costs, while NEM 2.0 surplus balances are tracked as monetary credits directly (in dollars). Note that these cash-outs are treated as taxable income by the Internal Revenue Service (IRS). Payments of $600 or more remitted to the customer are accompanied by a 1099 form for the IRS. Utilities may also issue IRS Form 1099s for smaller amounts.

Alternatively, Group Net Metering is a process that allows any customer-generator to share the proceeds of their surplus generation credits to directly offset the electricity bills of other customers, which is financially more advantageous and can increase the effective value of the system. All the members in the group need to be within the same distribution utility service territory but may be served by different suppliers. The credits are calculated based on the host site’s NEM tariff and retail rate, and payments are credited to offset the electricity bills of each member directly by the utility (assuming the utility is billing the customers for supply). These allocations are governed by a Group Net Metering Agreement between the host customer-generator and group members, which is part of the registration process overseen by the Public Utilities Commission.

Note that larger systems (up to 1,000 kilowatts in size) actually have to register as group hosts in order to qualify for net metering in the event that the customer-generator exports more than 80 percent of the power produced onsite to the distribution grid. Additionally, if the electricity exported from larger systems exceeds the total electricity usage of the group on an annual basis, the credit for the residual amount (e.g., electricity exported in excess of the group’s total usage) is re-calculated based on their utility’s avoided cost of electricity supply. This rate is lower than the NEM credit based on the customer-generator’s retail rate, and results in a downward payment adjustment issued by the utility to the host customer. Residential systems under 15 kilowatts, however, are not subject to this adjustment.

Most recently, a Low-Moderate Income (LMI) Community Solar Project option has been implemented under Group Net Metering. The program currently provides an incentive of 3 cents per kWh (dropping down to 2.5 cents after July 2021) in addition to the host site’s NEM credits, and solar systems may be either rooftop or ground-mounted systems. To qualify, groups must include at least five residential customers, a majority of which are at or below 300 percent of the federal poverty guidelines, and non-residential customers cannot account for more than 15 percent of the total projected load in the group.

Lastly, all group hosts (except for residential systems under 15 kilowatts) must file an annual report with the Public Utilities Commission and their utility that includes the annual load of the host and members, annual total and net surplus generation of the host site system, and additional information for Low-Moderate Income Community Solar Projects.

In addition to NEM credits, all customer-generators have the option of selling the Renewable Energy Certificates (RECs) produced by their systems. This can provide an additional revenue stream to customer-generators, but requires a separate REC meter, registration and ongoing reporting requirement.

Alternatively, the Public Utilities Commission estimates the RECs that could be produced by all customer-generators who do not separately meter and sell their RECs and lowers the Renewable Portfolio Standard procurement requirements for all load-serving entities by an equivalent amount.

## Comparison of Utility "Standard" and "Alternative" Net Energy Metering Tariffs

The tables below compare the two tariff structures, which offer different credits to customers depending on the size of their installed system:

**Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid**

| | **NEM 1.0**<br>*"Standard NEM"*<br>*Offered prior to 9/1/2017* | **NEM 2.0**<br>*"Alternative NEM"*<br>*Effective 9/1/2017* |
|---|---|---|
| **Large Systems**<br>*100 Kilowatts to 1 Megawatt* | Full credit (at the customer's retail rate) for electricity supply only | |
| **Small Systems**<br>*≤ 100 Kilowatts* | Full credit for electricity supply, distribution, transmission, System Benefits, Stranded Cost & Storm Recovery charges | Full credit for electricity supply and transmission; 25% credit for distribution & no credit for other charges |

As shown in the table above, levels of compensation for small customer-generators (with systems up to 100 kilowatts) were lowered, such that these customers no longer receive full compensation on their distribution rate component or several other small charges (e.g., the System Benefits, Stranded Cost and Storm Recovery charges).

Additionally, the NEM 2.0 tariff modified the type of credit, and the ways credits for surplus generation are tracked and refunded, for both small and large customer generators:

- Under NEM 1.0, any surplus generation would be tracked as a kilowatt-hour (kWh) credit, which was carried forward to offset the customer's consumption (and bill) in future months. For any kWh credits remaining on an annual basis (at the end of March each year), such customers have the option of either continuing to bank their credits to offset future usage, or to convert the kWh credit into a monetary credit, at a rate set by the Public Utilities Commission (typically ~3-4 cents per kilowatt-hour) and to apply the amount to their account or receive a check for the amount owed.
- Under NEM 2.0, kWh credits are automatically converted into a monetary credit every month,

valued at the customer's retail rate for that specific month. Customers have the option of either carrying the credit forward to offset to their electricity bill in future months or may receive the refund directly as a check.

The crediting mechanism under NEM 1.0 was relatively more advantageous for customers in one respect. Solar systems generate more power in the spring and summer months relative to other seasons; consequently, the credits that customer-generators would accrue during the summer months would offset their consumption in the winter months on a one-to-one, kWh per kWh basis. This is advantageous because winter supply rates are above summer rates on average.

In another respect, NEM 2.0 offers an advantage to customers that accrue surplus credits over the course of the year, because the surplus is calculated based on components of the customer's retail rate — which is higher than the ~3-4 cents per kilowatt-hour value that is applied to convert NEM 1.0 kWh credits into a monetary credit whenever customers elect to cash-out their surplus.

These changes are summarized in the table below, and apply to all customer-generators regardless of system size:

| **NEM 1.0**<br>*"Standard NEM"*<br>*Offered prior to 9/1/2017* | **NEM 2.0**<br>*"Alternative NEM"*<br>*Effective 9/1/2017* |
|---|---|
| kWh credit carried forward.<br>May be refunded at a rate calculated by the Public Utilities Commission (typically ~3-4¢ per kWh). | kWh converted to monetary credit automatically each month.<br>Monetary credit carried forward as a bill credit or refundable. |

Additional details may be found in the Eversource, Liberty Utilities and Unitil tariffs and the Public Utilities Commission website:

- Eversource Tariffs
- Unitil Tariffs
- Liberty Utilities Tariffs
- PUC overview of Net Metering
- PUC graphic explanation of NEM 1.0 vs. NEM 2.0.

## Net Energy Metering Systems by Utility Territory

According to the most recent Energy Information Agency (EIA) Form 861m data, there are about 11,000 customer-generators taking service under Net Energy Metering tariffs in New Hampshire, with a cumulative installed capacity of approximately 140 megawatts (in terms of nameplate capacity in alternating current, or "AC"). Estimated numbers of customer-generators and installed capacity by technology are summarized below:

- Solar photovoltaics: ~120 megawatts (MW) and 10,760 customer-generators; note that:
    - Group Net Metering accounts for an additional ~1.5 MW serving 56 customers; and
    - Sixteen residential customers, in addition to solar photovoltaics, also have battery

storage systems with a cumulative capacity of 175 kilowatts (an average size of ~11 kilowatts per customer).

- Onsite wind: 412 kilowatts (kW) and 72 customer-generators.
- "Other" technologies (presumably, small hydro or qualifying combined heat and power systems, or "CHP"): ~17.5 megawatts (MW) and 55 customer-generators.

The table below provides the number of customer-generators in each distribution utility territory:

**Number of Net Metered Customer-Generators by Technology**

| | Customer-Generators by Technology | | | | Subsets of Solar PV Customers | |
|---|---|---|---|---|---|---|
| | **Total** | **Wind** | **Other (CHP or Hydro)** | **Solar PV** | **Group Net Metering** | **Battery Storage** |
| **Eversource** | 7,949 | 37 | 52 | 7,860 | 21 | 0 |
| **Unitil** | 1,066 | 3 | 1 | 1,062 | 0 | 0 |
| **Liberty Utilities** | 724 | 1 | 0 | 723 | 22 | 16 |
| **NHEC** | 1,204 | 31 | 2 | 1,171 | 13 | 0 |
| **Total** | 10,943 | 72 | 55 | 10,816 | 56 | 16 |

The number of customer-generators by customer class with onsite solar photovoltaic systems, total installed capacity, and average solar system size in each utility territory are provided for reference in the tables below.

Note that these tables do not include Group Net Metered systems and participating customers within groups and reflect only installed solar photovoltaic system capacity (i.e., exclusive of onsite battery storage capacity).

**Net Metered Solar Photovoltaic Systems: Number of Customer-Generators**

| | Residential | Commercial | Industrial | Total Customer-Generators |
|---|---|---|---|---|
| **Eversource** | 7,195 | 630 | 35 | 7,860 |
| **Unitil** | 973 | 61 | 6 | 1040 |
| **Liberty Utilities** | 633 | 77 | 0 | 710 |
| **NH Electric Coop** | 1,065 | 81 | 4 | 1,150 |
| **Total** | **9,866** | **849** | **45** | **10,760** |

**Net Metered Solar Photovoltaic Systems: Total Installed Capacity (MW-AC)**

| | Residential | Commercial | Industrial | Total Installed Capacity (MW-AC) |
|---|---|---|---|---|
| **Eversource** | 54.15 | 29.66 | 5.09 | 88.91 |
| **Unitil** | 7.40 | 2.30 | 0.73 | 10.43 |
| **Liberty Utilities** | 4.78 | 5.12 | 0.00 | 9.90 |
| **NH Electric Coop** | 7.61 | 2.46 | 0.60 | 10.66 |
| **Total** | 73.94 | 39.54 | 6.42 | 119.90 |

**Net Metered Solar Photovoltaic Systems: Average System Size (kW-AC)**

| | Residential | Commercial | Industrial | Average System Size (kW-AC) |
|---|---|---|---|---|
| **Eversource** | 7.5 | 47.1 | 145.5 | 66.7 |
| **Unitil** | 7.6 | 37.8 | 121.2 | 55.5 |
| **Liberty Utilities** | 7.6 | 66.5 | N/A | 24.7 |
| **NH Electric Coop** | 7.1 | 30.3 | 149.0 | 62.2 |
| **Average** | **7.5** | **45.4** | **138.6** | **52.3** |

# Attachment 6: Enfield Community Power Net Metering, Group Net Metering and Low-Moderate Income Solar Project Opportunities

Please refer to Attachment 5: Overview of Utility Net Metering Tariffs as context for this section.

RSA 362-A:9,II grants Community Power programs broad statutory authority to offer customer-generators new supply rates and terms for the generation supply component of Net Energy Metering (NEM). The relevant statutory authority is quoted in full below:

> *"Competitive electricity suppliers registered under RSA 374-F:7 and municipal or county aggregators under RSA 53-E 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. Such output shall be accounted for as a reduction to the customer-generators' electricity supplier's wholesale load obligation for energy supply as a load service entity, net of any applicable line loss adjustments, as approved by the commission. Nothing in this paragraph shall be construed as limiting or otherwise interfering with the provisions or authority for municipal or county aggregators under RSA 53-E, including, but not limited to, the terms and conditions for net metering."*

Enfield Community Power intends to offer a NEM generation rate and terms to customers with onsite renewable generation eligible for net metering from their local utility. Note that any non-supply related components of the Net Energy Metering tariff (e.g., credits for transmission and distribution) will continue to be provided to customer-generators directly by their utility.

How Enfield Community Power calculates, accounts for, and provides NEM credits to participating customer-generators for the different types of eligible system sizes, customer types and group configurations will have a number of important financial and practical implications for the program and customers in the Town of Enfield.

Enfield Community Power also anticipates encountering practical challenges of an operational nature in administering net metering and group net metering programs. This is partly because net energy metering continues to evolve in response to new policy and regulatory requirements, and the day-to-day processes that govern the coordination between the program, participating customers and their local Utility are subject to refinement and change over time.

In particular, Enfield Community Power will be one of the first default aggregation programs to launch in New Hampshire, and the process of transferring significant numbers of NEM customers may cause unanticipated issues due to the metering, billing and data management requirements of this subset of customers. Enfield Community Power will maintain close coordination with their local utilities to expeditiously resolve any such issues that may occur.

For example, Enfield Community Power may decide to separately issue supply bills to customers that have installed systems after September 2017.

The advantage in dual-billing this subset of customers stems from what is essentially an accounting irregularity in how utility billing systems currently treats customer-generators taking service under the NEM 1.0 tariff, which applies to systems installed before September 2017, versus the NEM 2.0 tariff, which applies to all systems installed after that date. As context:

- The cumulative surplus generation exports of net metered customer-generators will decrease the amount of electricity that Enfield Community Power will have to purchase from the regional power market to supply other customers in the program. The surplus generation from both NEM 1.0 and NEM 2.0 customer-generators is tracked and netted out from the program's wholesale load obligations by their local utility for this purpose.

- However, for the purpose of netting out of the program's Renewable Portfolio Standard (RPS) compliance requirements, the surplus generation from NEM 1.0 customers is tracked and accounted for differently than it is for NEM 2.0 customers:
    - Surplus generation from NEM 1.0 customers is tracked as a kWh credit that is carried forward to offset the customer's future electricity supply requirements; these kWh credits will be counted as an offset that decreases the total electricity supplied by the program to retail customers in aggregate — which lowers the program's RPS compliance obligation.
    - Surplus generation from NEM 2.0 customers is tracked as a monetary credit that is carried forward to offset the customer's future electricity bills; even though the monetary credit is calculated each month based on every customer's kWh surplus generation, the monetary credit is treated as a re-sale or delivery of power generated by NEM 2.0 customer and provided to other participating customers through the program — it is not treated, in other words, as an offset that decreases the total electricity supplied by program to retail customers in aggregate — and therefore does not lower RPS compliance obligations in the same way.

  The practical consequence of this accounting treatment is that Enfield Community Power would have to purchase Renewable Energy Certificates for the amount of surplus generation supplied by NEM 2.0 customer-generators (but not NEM 1.0 customer-generators) in the same way as if the program had imported that amount of electricity from the regional wholesale market.

- Taking on the responsibility of billing this subset of NEM 2.0 customers directly may allow Enfield Community Power to track and account for the impact of their surplus generation in ways that lower the program's RPS compliance obligations and costs. Specifically, the program could credit customers currently on the utility's NEM 2.0 tariff in the same way that NEM 1.0 customers are credited (i.e., using kWh credits to track surplus generation on the supply portion of the bill). Note that RSA 362-A:9,II explicitly grants Community Power programs the flexibility to offer net metered customers either:
    - A "*credit, as an offset to supply*" for their surplus generation, which is equivalent to the NEM 1.0 tariff accounting; or
    - To "*purchase the generation output exported*", which is equivalent to how the NEM 2.0 tariff tracks surplus generation.

  Exercising the first option listed above, by offering NEM 2.0 customers a kWh credit tracked as an offset to supply, would allow Enfield Community Power to harmonize the accounting treatment of NEM 1.0 and 2.0 surplus generation for the purpose of program RPS compliance reporting. This would lower program rates and is an option that the program may therefore find cost-effective to implement.

  Additionally, certain customer-generators currently receiving IRS Form 1099 taxable income from monetary credits paid out by their utility under NEM 2.0 tariff may benefit financially from receiving kWh credits for the supply portion of their monthly surplus generation instead.

While dual billing is typically avoided — as it is less convenient for most customers to receive a separate bill from their utility and supplier — customers with onsite generation systems tend to be highly informed on energy issues and respond positively to more active engagement with both their utility and supplier.

Consequently, dual billing may enhance customer satisfaction, awareness and ongoing participation in the program for customer-generators. Furthermore, dual billing could be done electronically, which is more convenient for the customer and less costly for the program than sending paper bills.

Furthermore, Enfield Community Power may be able to create additional value for customer-generators through a combination of dual billing, assistance with metering upgrades and time-varying rate structures. For example:

- Many customer-generators with solar systems may benefit from local programs that help them reduce their full energy bill costs;
- Providing the customer with a separate supply-only bill would allow Enfield Community Power to also offer a time-varying rate (which may not otherwise be available through their local Utility's billing system);
- Upgrading to an interval meter (if the customer does not have one) and installing onsite battery storage, combined with a time-varying rate, may enable the customer-generator to further lower their overall bill by shifting their pattern of electricity usage at times of high-power prices and constrained generation and transmission capacity. This could also help to manage and lower the program's electricity supply costs in aggregate as well, and thus benefits all participating customers.

Similarly, Enfield Community Power may be able to streamline the process and cost of installing REC production meters, registering customer-generators and purchasing their RECs for the onsite power generated to satisfy part of the program's overall RPS compliance requirements. This would allow the program to source RECs locally and would provide an additional source of revenue for customer-generators in the Town of Enfield.

Enfield Community Power also intends to evaluate ways to enhance the value of the NEM credits that customers receive overall, from both the program and their local utility. For example, customer-generators may benefit by becoming hosts in Group Net Metering, including by establishing a Low-Moderate Income Solar Project group. The program may be able to streamline the process required to do so, which entails:

- Matching customers interested in becoming members with prospective group hosts;
- Executing a Group Net Metering Agreement together;
- Registering the group with the Public Utilities Commission and their local utility; and
- Thereafter filing annual compliance reports.

Lastly, NEM tariffs are subject to revision and Enfield Community Power, through the Coalition, intends to work with their local utility, participate in Public Utilities Commission proceedings and engage at the Legislature on issues that impact how the tariffs evolve going forward.

Customers are increasingly adopting new energy technologies and expect to be offered rates and services that provide them with new choices and fair compensation based on their investment; the program's ability to assist customers in these ways is heavily dependent on how state policies and utility regulations evolve over time.

Enfield Community Power will seek to represent the interests of our community and customers in these matters.

# Attachment 7: Enfield's Public Planning Process

Members of the Enfield Energy Committee began attending meetings in the Upper Valley related to the aggregation of multiple Towns/Cities accounts to provide more control over the costs and sources of electricity in mid 2019. They brought the information to the Selectboard and Town Manager for consideration on October 7, 2019. At that meeting the Selectboard recommended the formation of the sub-committee to provide more information and ensure Enfield was part of the discussion. This became the Enfield Community Power Committee, a sub-committee of the Enfield Energy Committee.

After gathering information on how community aggregation works, how it could benefit Enfield, and how the Community Power Coalition of NH (CPCNH) was developing, this committee presented the Joint Powers Agreement to the Selectboard and Town Manager for approval to allow Enfield to be part of planning and discussion on a specific community aggregation program with CPCNH.

The JPA (Joint Powers Agreement) was signed in September of 2021. The Community Power sub-committee provided a first draft of this Plan, Enfield Community Power Plan, and held public hearings on December 7 and December 15, 2021 and February 8, 2022. At Town Meeting on April 30, 2022, the Enfield Community Power Plan was approved.

## Attachment 8: Abbreviations

| Acronym | Meaning |
|---|---|
| AC | Alternating Current (electric current that reverses direction many times a second at regular intervals; the N. American standard for power supply is 60 Hertz) |
| ACP | Alternative Compliance Payment (under the NH Renewable Portfolio Standard) |
| CEPS | Competitive Electric Power Suppliers |
| CHP | Combined Heat and Power |
| CPA | Community Power Aggregation |
| CPCNH | Community Power Coalition of New Hampshire |
| EAC | Electric Aggregation Committee |
| EAP | Electric Aggregation Plan |
| ISO-NE | Independent System Operator New England (the wholesale electricity market operator) |
| KW | Kilowatt (a measure of electrical capacity, equivalent to 1,000 watts of power) |
| kWh | Kilowatt-hour (a measure of electrical energy, equivalent to using or producing 1,000 watts for 1 hour, and typically used to refer to customer generation or onsite usage) |
| MW | Megawatt (a measure of electrical capacity, equivalent to 1,000,000 watts of power) |
| MWh | Megawatt-hour (a measure of electrical energy, equivalent to using or producing 1,000,000 watts for 1 hour, and typically used in reference to power plants or large aggregations of customers) |
| NEM | Net Energy Metering (tariffs that provide compensation for customer-generators) |
| NEPOOL GIS | The New England Power Pool Generation Information System (which issues and tracks Renewable Energy Credits) |
| NHEC | New Hampshire Electric Co-Op (a member-owned electric distribution cooperative) |
| NHPUC | New Hampshire Public Utilities Commission (which regulates NH's investor-owned electric distribution utilities: Eversource, Unitil and Liberty Utilities) |
| PV | Solar Photovoltaics |
| REC | Renewable Energy Credit (under the NH Renewable Portfolio Standard) |
| RPS | New Hampshire's Renewable Portfolio Standard (authorized under RSA 362-F) |
| RSA | Revised Statutes Annotated (refers to the codified state law of New Hampshire) |

# Attachment 9: How Load Serving Entity Services will be Implemented

Enfield Community Power will implement Load Serving Entity (LSE) services, for the purpose of procuring or selling electricity on behalf of customers participating in the aggregation.

This plan assumes, but does not require, that the Town will participate fully in and rely on the services provided through the Community Power Coalition of New Hampshire (CPCNH) for the purposes of implementing and operating Enfield Community Power.

## The Role & Responsibility of Load Serving Entities

A Load Serving Entity (LSE) is an entity that has registered with ISO New England (ISO-NE, the nonprofit regional wholesale electricity market operator) as a market participant and assumes responsibility for securing and selling electric energy and related services to serve the demand of retail customers at the distribution level (i.e., homes and businesses).

As context, every retail customer in New Hampshire (and across New England) is assigned to a specific Load Serving Entity at all times:

- Customers on utility default service are periodically re-assigned to whichever Competitive Supplier has won the utility's most recent auction or the utility as LSE. Refer to Attachment 4 for an overview of utility default procurement solicitations.
- Similarly, customers are assigned to a different Load Serving Entity whenever they are transferred to CPA service on an opt-out default basis, choose to opt-in to take service from the CPA, or switch to a Competitive Supplier of their choosing.

Consequently, all Competitive Suppliers and Community Power Aggregators (CPAs) in New Hampshire are required to either:

1. Register as a Load Serving Entity with ISO-NE; or
2. Contract with a third-party that has agreed to be the Load Serving Entity responsible for the Competitive Supplier's or CPA's customers.

To ensure that customers receive firm power supply, there are a variety of services that need to be performed and electrical products that must be procured or otherwise provided. The required products and services are referred to as "all requirements energy" (or alternatively, "full requirements service").

The role of Load Serving Entities is to provide, arrange for, or otherwise pay for the cost of providing all requirements energy to customers. The majority of these requirements are defined by the ISO-NE wholesale market operator, which is subject to Federal oversight, but certain requirements are defined by the state in which the LSE registers to serve customers (Renewable Portfolio Standard requirements, for example).

In New Hampshire, full-requirements energy is defined as the provision or cost of (1) electrical energy, capacity, and reserves (including transmission and distribution losses); (2) ancillary services, congestion management, and transmission services (to the extent not already provided by the customer's utility); (3) the costs associated with complying with New Hampshire's Renewable Portfolio Standard (i.e., the cost of purchasing Renewable Energy Credits or, if an insufficient number of credits is procured, the cost of Alternative Compliance Payments, as detailed in Attachment 3); and (4) other services or products necessary to provide firm power supply to customers (i.e., because the definition and requirements of the above products and services are subject to change over time).

Each of the above products and services is procured, provided, and accounted for in different ways, through market mechanisms and regulated processes that have been designed to accommodate the unique characteristics of the product or service in question.

Given the complex and capital-intensive nature of providing all requirements electricity to customers, Load Serving Entities are subject to significant state and Federal oversight, in terms of registration, reporting, and financial security requirements.

The web pages below provide current information regarding Load Serving Entity registration, financial security, and renewal requirements to operate in ISO-NE and New Hampshire:

- ISO-NE: New Participant Registration Instructions
- NH PUC: Forms for Competitive Electric Power Suppliers and Electric Load Aggregators
- Eversource: Electric Information for Suppliers & Aggregators
- Unitil: Energy Supplier Resources
- Liberty Utilities: Become a Liberty Utilities Approved Supplier
- New Hampshire Electric Cooperative: Supplier Information

## Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)

The Town currently anticipates that it will contract with CPCNH, as an all-requirements joint powers agency, for the provision of LSE services, all requirements energy supply and all other energy services required to implement and operate Enfield Community Power.

### CPCNH Competitive Solicitation for Comprehensive Services and Credit Support

On behalf of the Town and CPCNH's eighteen other Member communities, each of which are in various stages of authorizing Community Power Aggregations, CPCNH issued a Request for Proposals (RFP) for Comprehensive Services and Credit Support on April 25, 2022 and is currently conducting a solicitation process "*to select a qualified entity or group of entities to provide comprehensive services and credit support to enable CPCNH to develop, finance, launch, and operate of Community Power Aggregation (CPA) programs.*"[1] As context:

- For an overview of CPCNH's authorities as a Joint Powers Agency, the RFP, proposal evaluation and contracting process, and the process by which CPCNH's Board of Directors and participating Member communities, including the Town, plan to draft and adopt enabling agreements, contracts and policies (such as the Energy Risk Management and Financial Reserves policies) refer to "Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)" in Attachment 10: Customer Data Protection Plan below.
- CPCNH's RFP is primarily based upon the solicitation and contracting strategy pioneered by the Redwood Coast Energy Authority (RCEA), a CPA Joint Powers Authority in California that is similar in size to CPCNH and which successfully contracted for comprehensive services and

[1] CPCNH's Request for Proposals for Comprehensive Services and Credit Support, and additional supporting reference documentation, including the draft Business Plan for CPCNH, are posted online here: https://www.cpcnh.org/solicitations.

credit support (inclusive of LSE services) on an at-risk, deferred compensation basis.

- RCEA subsequently launched CPA program service and began providing LSE services and all-requirements supply to CPA customers in 2017 and has operated continuously while accruing financial reserves and enabling numerous local programs and new project developments.
- The three Professional Services Agreements that RCEA negotiated and executed subsequent to their RFP process provided (1) LSE and portfolio risk management services and credit support, (2) retail data management, billing, and customer care services, and (3) various support services (e.g., administration, marketing, etc.). All three contracts are available for review online here.

- Subsequent CPA Joint Powers Agencies have employed similar solicitation and contracting strategies in order to successfully contract for and implement LSE and portfolio management services for participating CPA customers.
- CPCNH previously issued a Request for Information for Comprehensive Services and Credit Support in December 2021 and received numerous submissions from well-established third-party vendors that provide LSE services, portfolio management services and credit support in response. (CPCNH's Board of Directors has designated the responses as confidential due to fact that the competitive solicitation is ongoing.)[2]

The scope of operational services requested under CPCNH's RFP is to broadly "*provide all required services and credit support necessary to operate the agency and supply all-requirements electricity to CPA customers*". The specific scope of operational functions requested in CPCNH's RFP is provided below:

1. *Retail Data Management and Billing Services*
    a. *Utility Electronic Data Interchange (EDI)*
    b. *Customer Data Validation and Error Resolution Management*
    c. *Billing Calculations*
    d. *Utility Payment Receipt*
    e. *Revenue Oversight and Tracking*
2. *Retail Customer Solutions*
    a. *Customer and Program Analytics and Insights*
    b. *Rate Design Development, Pricing and Product Structuring*
    c. *Grid Edge Enablement and Portfolio Integrations*
    d. *Key Account Relationship Management*
    e. *Inbound and Outbound Call Center Operations*
    f. *Digital Engagement and Orchestration*
3. *Portfolio Risk Management Services*
    a. *Energy Portfolio Planning and Development*
    b. *Contract Valuation and Procurement*
    c. *Deal Capture, Contract Management and Counterparty Monitoring*
    d. *Trading, Position Management and Reporting*
    e. *Forecasting, Scheduling and Settlements*
    f. *ISO shadow settlements and dispute resolution*

[2] CPCNH's Request for Information for Comprehensive Services and Credit Support is available online at: https://www.cpcnh.org/solicitations

   g. *ISO monitoring, stakeholder processes, collateral posting and onboarding support*
4. *Banking and Financial Services*
   a. *Credit Support*
   b. *Secure Revenue Account Administration*
   c. *Accounting Support and Controls*
   d. *Financial Statement Setup and Review*
   e. *Revenue Forecasting and Budgeting*
   f. *Invoice Validation*
5. *Enterprise Data Management: to support the development of an in-house central repository of customer and other data for use by CPCNH staff and authorized third parties for the purpose of enabling research and development of new energy services.*
6. *Additional Services: respondents should provide additional descriptions of services not provided for above.*

**CPCNH Proposal Evaluation Process and Contracting Timeline**

As detailed in Attachment 10, CPCNH's Risk Management Committee is responsible for evaluating, ranking, and scoring proposals and recommending an award to the Board of Directors.

To ensure that the committee fully evaluates proposals to provide LSE and portfolio management services, CPCNH has contracted with independent experts with domain expertise in:

- Managing and overseeing power supply portfolios and LSE services for an operational CPA Joint Power Agency;
- Evaluating proposals, interviewing proposers, and recommending an award for LSE and portfolio management services on behalf of a CPA Joint Power Agency that subsequently launched CPA program service, has operated continuously since 2018, and recently gained an industry-first "A" credit rating from S&P Global Ratings on the basis of its fiscal discipline and approach to energy portfolio risk management; and/or
- Working for an established publicly owned nonprofit enterprise that maintains three operational control centers to support 24/7/365 operations across multiple ISO/RTO markets in order to provide LSE and portfolio management services to substantial numbers of public and private sector clients that serve retail end-use customers.

CPCNH expects to conclude the RFP process, enter into contract negotiations in July-August, and execute contracts to provide comprehensive services and credit support (inclusive of LSE services) in August to September 2022.

Thereafter, CPCNH's Board of Directors expects to finalize and approve the agency's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies, which Enfield's appointed Directors expect to provide to the Selectboard for approval between October – December 2022.

At this point, the Town may contract for and authorize CPCNH to provide comprehensive services and credit support (inclusive of LSE services) to implement and operate Enfield Community Power.

## Responsibilities of the Town of Enfield

The Town expects that CPCNH's solicitation and contracting strategy will be successful, and that CPCNH and the third-party contractors contracted by CPCNH will implement LSE services and all other services required to launch and operate Enfield Community Power.

Depending on the result of CPCNH's solicitation and contract negotiation process, LSE services may be implemented as follows:

- CPCNH may contract directly for LSE services with a third-party that is registered or will register with ISO-NE as a market participant and Load Serving Entity, satisfies all applicable financial security and other registration requirements with ISO-NE, the Commission, and NH's distribution utilities, and has contractually agreed to assume responsibility for providing all requirements energy on behalf of Enfield Community Power's customers.

  Typically, such a third-party would additionally provide portfolio management services and credit support and assist CPCNH in structuring and maintaining a portfolio of physical and financial contracts to provide all requirements energy to participating customers. At a certain future point, CPCNH may be positioned to register with NEPOOL and ISO-NE as a market participant and Load Serving Entity directly.[3]

  This implementation option would essentially replicate the same approach and structure employed by the New Hampshire Electric Cooperative, which actively manages an all-requirements energy portfolio, accrues financial reserves, and provides LSE services for default service customers.

  Additionally, note that the Town of Hanover (whose Member director and alternate director are both participating on CPCNH's Risk Management Committee and proposal evaluation) is already a market participant and Load Serving Entity for the Town's load obligations.

- CPCNH may alternatively contract with one or more Competitive Electric Power Suppliers to provide LSE services and all requirements electricity to customers at a pre-specified rate for a set length of time. Under this arrangement, the Competitive Supplier would either be the designated Load Serving Entity or would contract with a third-party that has agreed to be the Load Serving Entity responsible for the CPA's customers.

  This implementation option would essentially replicate the same approach and structure employed by NH's regulated distribution utilities (Eversource, Unitil and Liberty Utilities), under which customers are periodically re-assigned to whichever Competitive Suppliers have won the utilities' default service solicitations. Refer to Attachment 4 for an overview of utility default procurement solicitations.

- CPCNH may also propose a combination of the above approaches for the Town's consideration.

In the event that the Town does not contract with CPCNH to provide LSE and other services to Enfield Community Power, then the Town may contract to implement LSE services independently, either with a third-party LSE acting as the Town's agent or with a Competitive Electric Power Supplier (CEPS) that contracts to provide LSE services for customers taking service from Enfield Community Power.

The Town will ensure that contracts entered into provide for the implementation of LSE services and full requirement energy supply for customers participating in Enfield Community Power.

[3] Refer to CPCNH's draft Business Plan for further details, available under RFP Reference Materials online at: https://www.cpcnh.org/solicitations

## Attachment 10: Customer Data Protection Plan

Enfield Community Power will protect and maintain the confidentiality of Individual Customer Data in compliance with its obligations as a Service Provider under RSA Chapter 363 ( RSA 363:38 and RSA 363.37 ("*privacy policies for individual customer data; duties and responsibilities of service providers* and *definitions"*) and other applicable statutes and Public Utilities Commission rules.

Individual Customer Data (ICD) includes information that is collected over the course of providing energy services to customers participating in Enfield Community Power and that, singly or in combination, can be used to identify specific customers, including: individual customer names, service addresses, billing addresses, telephone numbers, account numbers, electricity consumption data, and payment, financial, banking, and credit information.

As described herein, the Town of Enfield is responsible for ensuring that reasonable security procedures and practices are implemented and maintained to protect the confidentiality of Individual Customer Data from unauthorized access, destruction, modification, disclosure, or use.

This plan assumes, but does not require, that the Town will participate fully in the Community Power Coalition of New Hampshire (CPCNH) for the purposes of implementing and operating Enfield Community Power.

### Responsibilities of the Community Power Coalition of New Hampshire (CPCNH)

CPCNH is a Joint Powers Agency authorized under RSA 53-A ("*Agreements Between Governments: Joint Exercise of Powers"*) and RSA 53-E:3 ("*Municipality and County Authorities*"). CPCNH's Joint Powers Agreement expressly authorizes the agency to: [4]

- "*[C]omply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs*";
- *"Make and enter into contracts*" and "[m]*ake and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH's affairs*"; and
- "*[D]*o *all acts permitted… as well as any act necessary, consistent with New Hampshire law to fulfill the purposes*" set forth under the agreement, which include assisting "*member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing … Community Power Aggregations*".

CPCNH has begun the process of soliciting and hiring third-parties to provide comprehensive services and credit support to launch Member CPA programs, and is drafting various related enabling agreements, policies, and internal protocols necessary to do so.

#### *CPCNH Request for Proposals for Comprehensive Services and Credit Support*

CPCNH issued a Request for Proposals for Comprehensive Services and Credit Support on April 25, 2022, and is currently conducting a solicitation process *"to select a qualified entity or group of entities to provide comprehensive services and credit support to enable CPCNH to develop, finance,*

[4] From Section 2.3, Powers, of the By-Laws of CPCNH, found at pages 21-22 of the JPA, available here: https://www.cpcnh.org/_files/ugd/202f2e_601bfada901c4a89a1c2812a0638090a.pdf, and more specifically §2.3.11, §2.3.6, §2.3.9, and §2.3 introductory paragraph. Similar language in also in the Articles of Agreement.

*launch, and operate of Community Power Aggregation (CPA) programs*"[5] on behalf of CPCNH's nineteen Member communities, each of which are in various stages of authorizing Community Power Aggregations.

For additional information regarding the use of customer data, and expected operational needs of CPCNH, refer to (1) the RFP at pp. 20-23[6] and to (2) the RFP Addendum #2 (issued May 24, 2022), at pp. 11 in response to Questions 15.[7] The latter is excerpted below, and provides a concise summary of CPCNH's requirements to ensure the confidentiality of ICD:

> ***Regarding Customer Privacy Compliance:***
>
> *RSA 53-E:4, VI, requires CPAs to maintain the confidentiality of individual customer information in compliance with their obligations as service providers under RSA 363:37 (Definitions) and RSA 363:38 ("Privacy Policies for Individual Customer Data; Duties and Responsibilities of Service Providers"). RSA 53-E:7, X also requires the Public Utilities Commission to adopt Administrative Rules for CPAs governing "access to customer data" and other matters.*
>
> *The selected Proposer will be expected to demonstrate physical and cybersecurity readiness sufficient to ensure customer data is held in strict confidence — e.g., through audits in accordance with the American Institute of Certified Public Accountants Statements on Standards for Attestation Engagements No. 16 (SSAE 16) Service Organizational Controls (SOC) Reports, periodic network vulnerability assessments, etc. — and will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b) and applicable Public Utilities Commission rules.*
>
> *As previously noted, Administrative Rules for CPAs are under development. Refer to the PUC's Initial Proposal for CPA Administrative Rules (Chapter Puc 2200), specifically the definitions in Puc 2202.07 ("Confidential customer information") and Puc 2202.02 ("Anonymized"), and Puc 2205.02 ("Application of Puc 2000 to CEPS When Providing Electricity Supply to CPA Customers").*
>
> *The selected Proposer, as applicable, should expect to comply with relevant portions of the PUC's current Administrative Rules for Competitive Electric Power Suppliers and Aggregators (Chapter Puc 2000). Refer to Chapter Puc 2000, Puc 2002.09 (definition of "Confidential Customer Information") and Puc 2004.19 ("Protection of Confidential Customer Information"), which is proposed to apply to CEPS providing electricity supply service to CPA customers pursuant to Puc 2205.02 under the PUC's Initial Proposal for CPA Administrative Rules.*

The Request for Proposals and evaluation process is being overseen by CPCNH's Risk Management Committee, composed of CPCNH Member municipality representatives, with additional support from (1) independent experts with experience operating Community Power Aggregation Joint Powers Agencies, and (2) CPCNH's General Counsel, DWGP, P.C., a nationally recognized law firm with substantial expertise in the Community Power and broader public power industry.

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[5] CPCNH's Request for Proposals for Comprehensive Services and Credit Support, and additional supporting reference documentation, including the draft Business Plan for CPCNH, are posted online here: https://www.cpcnh.org/solicitations.

[6] https://www.cpcnh.org/_files/ugd/202f2e_e781638c123d4cf3977358f845081313.pdf

[7] Pages 11-12 at https://www.cpcnh.org/_files/ugd/202f2e_8ceed8824453482c902a8a0fa1ab826c.pdf.

CPCNH's Risk Management Committee will evaluate, rank, and select vendors with a proven track record of successful qualification for EDI transactions, protection of confidential customer information, including what is characterized as ICD under RSA 363, and other relevant factors.

- Refer to CPCNH's RFP at p.2 for a summary of the substantial domain expertise participating on the Risk Management Committee and proposal evaluation process.
- For example, the committee includes a Member Director who previously worked for Eversource for 26 years, where he was responsible for deploying and/or operating Eversource's Customer Information System and day to day interface with competitive electric suppliers and was most recently the Director of Eversource's Customer Center Operations.

CPCNH expects to conclude the solicitation process and execute contracts in August to September 2022.

***CPCNH Enterprise Risk Management & Customer Data Policies***

After CPCNH has executed service contracts, CPCNH's Board of Directors will finalize and approve the agency's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies. CPCNH's Energy Risk Management and Financial Reserves policies will be subsets of CPCNH's Enterprise Risk Management Policy, which will additionally cover relevant elements of cybersecurity and data confidentiality requirements and other topics.

- CPCNH's Joint Powers Agreement requires CPCNH's Risk Management Committee to draft and recommend the Enterprise Risk Management Policy for consideration and adoption of CPCNH's Board of Directors on or before October 1, 2022.[8]
- Between October and December 2022, Enfield's appointed Directors are expected to provide CPCNH's Cost Sharing Agreement and Energy Risk Management and Financial Reserves policies to the Selectboard for approval between October – December 2022.
- At this point, the Town will contract for and authorize CPCNH to provide specific services on behalf of Enfield Community Power.

CPCNH's Board of Directors has been recently presented with a plan to develop additional specific policies and CPCNH's Treasurer has prepared a budget to allocate sufficient funding to support the drafting and review process over the summer and fall. Two relevant such policies are listed below:

- Record Retention & Disposal Policy: to provide a process that ensures compliance with the proper retention, protection, and timely destruction of all records created or obtained by, or otherwise in the possession and control of, CPCNH, consistent will all legal requirements.
- Data Security and Privacy Policy: to define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of confidential information.

*CPCNH Requirements to Access and Use of Individual Customer Data*

In CPCNH's capacity as a service provider to the Town, the agency and third parties contracted through CPCNH to provide services to Enfield Community Power will need to access and use ICD for operational needs and for the research, development, and implementation of new rate structures

[8] CPCNH's Risk Management Committee is also responsible for (1) reviewing major risk exposures and monitoring the steps taken to control risk exposures and (2) commissioning an independent agent to conduct and deliver an evaluation of the operational performance of the agency relative to the Enterprise Risk Management Policy every two years (starting three years after the commencement of CPA service, and as otherwise requested by the Board).

and tariffs, demand response, customer assistance, energy management, or energy efficiency programs on behalf of Enfield Community Power.

Third parties under contract to CPCNH that may require access to ICD on behalf of Enfield Community Power may include CEPS (Competitive Electric Power Suppliers) functioning as Load Serving Entities (LSEs) for the supply of all requirements energy, or other third-party vendors providing Load Serving Entity (LSE) services on behalf of CPCNH, as well as portfolio management, Electronic Data Interchange (EDI), Customer Information System (CIS), billing, accounting, and related services, and other contractors and academic institutions under contract to support the research and development of potential new energy services to offer to customers participating in Enfield Community Power.

Specific types of ICD that Enfield Community Power, CPCNH, and third parties under contract are expected to receive and possess include:

- Name, address, account number, and other information about electric customers within the Town for purposes of sending required notification of Enfield Community Power Commencement of Service and enrollment of customer in Enfield Community Power, consistent with initially proposed Puc 2204.04, .05, and .06, as they, or equivalent rule provisions, may be adopted by the PUC and the requirements of RSA 53-E:7, III, V, and VI.
- Individual customer information used for operation of Enfield Community Power, such as that in initially proposed Puc 2205.13, most of which may be accessed through the EDU EDI. The need and use for such information, and a proposed modification of this particular rule, are addressed in CPCNH's 3/14/22 Comments on the PUC's initial rule proposal for CPAs, in docket # DE 21-142[9], and in its 3/28/22 Reply Comments.[10]
- Other confidential customer information that may be received or collected directly by Enfield Community Power or CPCNH, or through sources other than the EDU due to customer participation in particular related programs or services, billing operations, other customer services, or that may be volunteered by customers, will likewise only be used for statutorily authorized purposes as ICD.

Ongoing collection and use of individual customer data of the types described in proposed Puc 2205.13 will be used for both:

1. **General operational needs** for retail power supply and related energy services operational needs, such as load and supply forecasting, portfolio management, billing and audit processes, and for research and development of potential new energy services to offer to customer participants; and
2. **Programmatic and customer-specific services and offerings**, such as responding to customer account queries, opt-in rates or demand side management for customers with flexible demand, distributed generation or storage, and interval meters; and other energy services that may be offered including programs for LMI participants that are qualified in

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[9] See p. 2 ¶4 and p. 4 ¶6 at: https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142_2022-03-14_CPCNH_COMMENTS.PDF.

[10] See p.4-11, and Comments on proposed Puc 2203.02(b)(1) on p. 13, Puc 2204.02(a)(1)-(4) on pp. 16-17, and Puc 2205.13 p. 23 https://www.puc.nh.gov/Regulatory/Docketbk/2021/21-142/LETTERS-MEMOS-TARIFFS/21-142_2022-03-28_CPCNH_OCA_CENH-COMMENTS.PDF.

the Electric Assistance Program (EAP).

In compliance with RSA 363:38 and RSA 363.37, CPCNH and third parties contracted through CPCNH that require access to ICD to provide services to Enfield Community Power will be contractually required to:

- Implement and maintain reasonable security procedures and practices appropriate to the nature of the ICD.
- Protect ICD from unauthorized access, use, destruction, modification, or disclosure.
- Use ICD solely for primary purposes, such as: complying with the provisions of RSA 53-E:7, II; providing or billing for electrical service; meeting system, grid, or operational needs; researching, developing, and implementing new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs; and for research and development of potential new energy services to offer to customer participants.
- Collect, store, use, and disclose only as much ICD as is necessary to accomplish the aforementioned primary purposes.
- Not use ICD for a secondary commercial purpose unrelated to the aforementioned primary purposes of the contract without the express consent of the customer.
- Return or permanently delete all ICD after contract termination and deliver a certificate, signed by an authorized representative, stating that all ICD has been returned or permanently deleted and that all materials based on ICD has been destroyed, as appropriate (i.e., except for copies necessary for tax, billing, or other financial purposes).

Additionally, if CPCNH contracts with one or more Competitive Suppliers to provide Load Serving Entity services to participating customers, or brokers to support operations in a capacity that would require access to ICD, then the Competitive Suppliers and/or brokers would additionally be required to comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information)*, which are excerpted below in the section "Statutory and Rule Requirements" for reference.

## Responsibilities of the Town of Enfield

The Town currently anticipates that it will contract for all requirements electricity supply and related energy services through CPCNH, as a joint powers agency, and that the primary acquisition and use of ICD will be through CPCNH and the vendors placed under contract to provide comprehensive services for the operation of Enfield Community Power.

The Town Manager shall review and confirm that CPCNH has adequate policies, procedures and measures in place to protect confidential information and that contractual requirements consistent with the Town's obligations to protect ICD as required under RSA 363.37, RSA 363:38 and RSA 53-E:4, VI, and consistent with PUC rules, including Puc 2004.19 and its non-disclosure restrictions, are incorporated into any contracts with CPCNH, or any other third parties that are authorized to access ICD on behalf of the Town before executing any such contracts.

The Town expects contracts and policies to provide for:

- Third-party security assessment requirements regarding: Information Security Management; Personnel Security; Systems Development and Maintenance; Application Security; System

Security; Network Security; Data Security and Integrity; Access Control; and Vulnerability Management.

- Third-party security requirements including: (1) User Account and Access Controls to ensure that only authorized individuals have access to ICD for legitimate primary purposes under RSA 368:38, which may include the need for non-disclosure agreements; (2) Handling of Sensitive Data Protocols to protect confidential customer information from unauthorized access, use, destruction, modification, or disclosure; (3) Breach Reporting, including obligations to report a security breach as defined in RSA 359-C:19, V and required by RSA 359-C:20 and any other applicable laws,  rules, or utility requirements for data breach reporting; (4) Plan for deletion and destruction ICD when it is no longer necessary to accomplish primary purposes pursuant to RSA 368:38; and (5) Prohibitions on use of ICD for a secondary commercial purpose not related to the primary purpose of vendor's contract without the express consent of the customer.
- Third-party documentation and reporting requirements regarding, as applicable: Audit Reports (e.g. SSAE 16/SOC Report); Documentation describing Control practices used to review sub-vendors; Maintenance of an Information Security Program; Training Program for Employees on Cyber Awareness; Background checks performed for all employees with access to ICD; Immediate Data Breach reporting to appropriate parties; and any material changes in Data Security practices since prior review and approval.

Lastly, in the event that the Town does not contract with CPCNH to provide energy services to Enfield Community Power, then the Town will develop and adopt policies and contracts that ensure compliance with the Town's obligations as a Service Provider to protect and maintain the confidentiality of ICD under RSA 363:38, RSA 363.37 and other applicable statutes and Public Utilities Commission rules prior to directly collecting, storing, using, or disclosing any ICD or contracting with other Competitive Suppliers, brokers and/or other third-party vendors that require access to ICD.

## Additional References: Statutory and Regulatory Requirements

The sections below are provided for additional reference, and summarize the different requirements that apply to (1) Community Power Aggregators and Service Providers, (2) brokers and Competitive Electric Power Suppliers (CEPS) that provide Load Serving Entity services under contract to Community Power Aggregators, and (3) access to ICT through the Multi-Use Energy Data Platform authorized under RSA 378:50-54 (if and when it becomes operational).

### *Statutory Requirements for Community Power Aggregators & Service Providers*

Statutory requirements regarding the use of Individual Customer Data for Community Power Aggregators are summarized below:

- RSA 363:37, I defines Individual Customer Data (ICD) *as "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*."
- RSA 363:38, IV requires Service Providers to "*use reasonable security procedures and practices to protect individual customer data [ICD] from unauthorized access, use, destruction, modification, or disclosure*."

- RSA 53-E:4, VI provides that Community Power Aggregations (CPAs) "*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*".
    - The definition of Service Provider under RSA 363:37, II includes "*an aggregator, as defined by RSA 53-E:2, II…and any other service provider that receives individual customer data [ICD]...*"
    - RSA 53-E:2, II defines an "*aggregator*" in this context as "*any municipality or county that engages in aggregation of electric customers within its boundaries*".
    - RSA 53-E:2, VI further defines "*municipality*" in this context as "*any Town, town, unincorporated place, or village district within the state*."
- RSA 363:38, II requires Service Providers to: "*(a) Collect, store, use, and disclose only as much individual customer data [ICD] as is necessary to accomplish primary purposes, and (b) Use individual customer data solely for primary purposes*."
- RSA 363:37, III defines "*[p]rimary purpose*" as "*the main reason for the collection, storage, use, or disclosure of individual customer data [ICD] which is limited to: (a) Providing or billing for electrical or gas service. (b) Meeting system, grid, or operational needs. (c) Researching, developing, and implementing new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs*."
- RSA 53-E:4, VI further authorizes approved Community Power Aggregations to "*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*."
- RSA 363:38, V(b) further makes clear that a Service Provider may disclose ICD "*to a third party for system, grid, or operational needs, or the research, development, and implementation of new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs*" — provided that the Service Provider "*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*."
- RSA 363:38, V(c) provides that "*[n]othing 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*."
- RSA 363:38, V(a) makes clear that ICD may be aggregated and used for "*analysis, reporting, or program management after information that identifies an individual customer has been removed*."

*<u>Additional Requirements Specific to Brokers & Competitive Suppliers</u>*

Pursuant to Puc 2205.02 under the PUC's Initial Proposal for CPA Administrative Rules, brokers and Competitive Suppliers that are hired by municipalities to manage and operate Community Power Aggregations and provide Load Serving Entity services to participating customers must comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information)*, which is excerpted below for reference along with Puc 2002.09 (*Confidential Customer Information*).

Note that the use of the term "aggregator" throughout Puc 2004.19 below refers to brokers and does not refer to or otherwise apply to Community Power Aggregators.

As context, these requirements are part of the Commission's Chapter Puc 2000 rules ("*Competitive Electric Power Supplier and Aggregator Rules*), which apply to Competitive Suppliers and brokers—referred to as "CEPS" and "aggregators" below, respectively — and are expressly not applicable to "*municipalities or counties providing electricity or aggregating within the boundaries of participating municipalities under RSA 53-E*" (Community Power Aggregators) per Puc 2001.02 (*application of rules).*

> ***Puc 2002.09 "Confidential customer information"*** *means information that is collected as part of providing electric services to a customer that can identify, singly or in combination, that specific customer, and includes the customer name, address, and account number and the quantity, characteristics, or time of consumption by the customer, and also includes specific customer payment, financial, banking, and credit information.*
>
> ***…***
>
> ***Puc 2004.19 Protection of Confidential Customer Information.***
>
> *(a) No CEPS or aggregator shall, except as permitted under (c) below or as otherwise required by law, release confidential customer information without express written authorization from the customer.*
>
> *(b) A CEPS or aggregator shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect confidential customer information from unauthorized access, use, destruction, modification, or disclosure, and to prohibit the use of the confidential customer information for a secondary commercial purpose not related to the primary purpose of the service provided to the customer, without the express written consent of the customer.*
>
> *(c) A CEPS or aggregator may disclose to a third party subject to non-disclosure restrictions confidential customer information as necessary for any one or more of the following purposes:*
>
> *(1) Billing for electric service;*
>
> *(2) Meeting electric system, electric grid, or other operational needs;*
>
> *(3) Implementing any one or more of the following programs:*
>
> *a. Demand response;*
>
> *b. Customer assistance;*
>
> *c. Energy management; and*
>
> *d. Energy efficiency.*
>
> *(d) For purposes of this section, the term "non-disclosure restrictions" means that the CEPS or aggregator 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 confidential customer information from unauthorized access, use, destruction,*

*modification, or disclosure, and to prohibit the use of the confidential customer information for a secondary commercial purpose not related to the primary purpose of the contract without the express consent of the customer.*

*(e) A customer granting authorization to release confidential customer information for purposes described in the terms and conditions of service shall satisfy the requirement in (a) above.*

*(f) A CEPS or aggregator granted agency authority shall be deemed authorized to obtain customer usage information when it has received customer authorization as described in Puc 2004.08 or Puc 2004.09.*

*(g) In the event of a dispute about the release of confidential customer information, including whether the information is or should be confidential, a CEPS, aggregator, or customer may file a complaint with the commission for resolution.*

*Additional Requirements for the Multi-Use Energy Data Platform*

If and when the Multi-Use Energy Data Platform (Platform) authorized under RSA 378:50-54 becomes operational, Enfield Community Power and any third-parties under contract that require access to ICD sourced from the Platform — such as CPCNH and third-parties contracted through CPCNH — will be required to comply with any Platform User Requirements, Privacy Standards, Annual Attestations, and obligations to report a security breach pursuant to terms of Settlement Agreement conditionally approved by the PUC in DE 19-197 and detailed in Exhibit C of the Agreement found in Exhibit 1B and as may be actually implemented.