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April 6, 2023

Daniel C. Goldner, Chair  
New Hampshire Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, New Hampshire 03301

Re: IR Docket 22-053 Electric and Gas Utilities  
Investigation of Energy Commodity Procurement (Renewable Portfolio Standard; Default  
Service Electric Power; Cost of Gas) Methodology and Process

Dear Chair Goldner:

On March 20, 2023, the New Hampshire Public Utilities Commission (the “Commission”) sent a letter to the New Hampshire Electric Cooperative, Inc. (“NHEC”) requesting that it respond to several questions posed by the Commission. NHEC notes that it is not an intervenor or participant in this docket because the investigation relates to “electric and gas utilities of the State” (i.e., regulated utilities). It discussed its interest in this docket in a letter dated September 26, 2022. Nonetheless, in order to provide insight into NHEC’s procurement process to better assist the Commission’s investigation in this docket as it relates to the regulated utilities, NHEC provides the following responses to the Commission’s questions.

1. Does the NHEC purchase power directly from the ISO-New England Day Ahead and/or Real-Time electricity market to serve its customers?

Response: Yes. Every day NHEC forecasts its expected hourly need for energy for the next ten days and submits a Demand Bid as a price taker for 100% of that forecasted need in the ISO-NE Day-Ahead Market. During the settlement day, ISO-NE will settle NHEC’s actual load deviations to the Day Ahead Load Obligation in the Real Time market.

2. Does the NHEC apply a portfolio management approach, such as a blend of short-term, medium-term, and long-term contracts; hedging; asset management agreements; laddering; etc.? Please feel free to describe these arrangements.

Response: Yes. NHEC manages its energy portfolio needs through the use of long-term, medium-term and short-term supply resources and relies on efficiency programs, demand response and rate designs to achieve load flexibility help manage the need for energy. “Long-term” is defined as any resource that has a term longer than three (3) years. “Medium-term” is defined as any resource that has a term longer than one (1) year but less than three (3) years. “Short-term” is defined as any resource that has a term less than one (1) year. NHEC produces energy coverage targets based on historical pricing information for each term described above. Coverage targets are defined as the percentage of energy the NHEC targets for procurement

ahead of the settlement period. NHEC will actively solicit and accept energy resource offers from energy suppliers throughout the year to meet these coverage targets. NHEC's efficiency programs, demand response and rate designs help manage the current and future need for our members energy and peak demand needs.

3. Does the NHEC offer fixed-term prices for its electric service offered to its customers; and, if so, how are those rates designed?

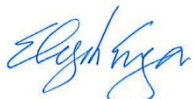
Response: Yes. Approximately every six months, NHEC will adjust its default energy service rate (Co-op Power) and its transmission service rate (Regional Access Charge) to equal the forecasted revenue requirement for those products over the same period. Thus, these rates will be fixed until NHEC calculates the next adjustment. In 2022, NHEC moved its rate adjustment periods to a spring period (February through July) and a fall period (August through January) to help reduce rate volatility experienced from the use of winter and summer periods.

4. What are the various rate design options offered by NHEC to its electric customers? Are time-varying rate options offered? How is energy procured for time-varying rate customers (as applicable)?

NHEC tailors its rates to its members with net-metering, members that drive electric vehicles, members that are able to adjust their energy usage to on and off-peak periods of the day and many other options. NHEC is also piloting a net-metering time of use rate with an on and off peak period and a Transactive Energy Rate that varies every hour of the day. NHEC procures energy the same way for all rates it offers, including members that use time-varying rate options.

NHEC will have a representative attend the April 13<sup>th</sup> hearing and will be prepared to offer additional details to these responses. Thank you for your attention in this matter.

Regards,



Elijah D. Emerson

CC: Service List via electronic mail  
Alyssa Clemsen Roberts, NHEC  
Brian Callnan, NHEC