

Merrimack County Community Power
Electric Aggregation Plan
Final Draft - March 22, 2024

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I. INTRODUCTION TO COMMUNITY POWER

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

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

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

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

II. OVERVIEW OF MERRIMACK COUNTY COMMUNITY POWER

Merrimack County Community Power is a public program under RSA 53-E that may supply electricity to the County's facilities at launch and to other participating retail electric customers within the County that join the program over time. If the County Delegation approves this Electric Aggregation Plan:

- Merrimack County Community Power, once operational, will be required to be self-funded through revenues received by participating customers;
- The Commissioners will be authorized to contract for the necessary services and power supplies to implement and operate the program and will set rates on behalf of any participating customers; and
- Eversource, Unitil, and the New Hampshire Electric Cooperative will continue to own and operate their respective local distribution systems in the County and deliver electricity to all customers supplied by Merrimack County Community Power.

A. Option to Provide Opt-In Electric Supply Service

At the Commissioners' direction, Merrimack County Community Power may also offer competitive service to any residents, businesses, and other entities within the County who voluntarily request to participate in the program on an "opt-in" customer choice basis.

B. Option to Administer Default Electricity Service for Municipalities

RSA 53-E alternatively allows municipalities and counties to provide default electricity service on an "opt-out" basis. This type of program transfers all customers currently on utility default service to Community Power default service. Customers are mailed notifications before enrollment, may decline to participate, and may choose to switch back to the utility or to take service from a Competitive Electric Power Supplier at any point after that.

The County intends to encourage and support municipalities in forming Community Power programs that operate on an opt-out basis. Merrimack County Community Power also may offer service on an opt-out basis directly for municipalities that do not establish their own Community Power program and that request, by majority vote of their respective governing bodies, to participate in Merrimack County Community Power. This option could lower energy costs and avoid the staff time and expenditures and administrative and regulatory efforts required to initiate programs individually.

C. Community Power Coalition of New Hampshire

This Plan assumes, but does require, that the County fully participate as a member of the Community Power Coalition of New Hampshire ("the Coalition") (www.cpcnh.org), a nonprofit joint powers agency authorized under RSA 53-A ("Agreements Between Governments: Joint Exercise of Powers"). County Commissioners approved the Coalition's Joint Powers Agreement and appointed Ross L. Cunningham to serve as primary representative to CPCNH and Jessica Riendeau as an alternate representative on December 11, 2023.

The Coalition is designed to coordinate and enhance the launch and operation of Community Power programs on a statewide basis.

The Coalition's adopted joint powers agency governance model and competitive business model have been designed in accordance with energy industry best practices, in order to ensure that participating Community Power programs benefit from transparent governance and high-quality services so that all communities are able to take full advantage of the local control authorities under RSA 53-E. The Coalition streamlines the activities required to achieve community goals at an advantageous, cost-effective economy-of-scale.

The Coalition is governed "for communities, by communities" under a voluntary and flexible membership structure. The Coalition provides competitive electricity service on a statewide basis, and will additionally enhance the ability of communities to coordinate effectively on public advocacy issues. The Coalition was incorporated on October 1, 2021, and launched Community Power operations in 2023.

The Coalition's business model has been designed to provide Community Power programs with:

- Expert guidance on energy risk management and procurement of a diversified portfolio of energy contracts, rate setting, and financial reserves — sufficient to ensure the stability and operational continuity of Community Power programs over the long-term (as technologies, market dynamics, risk factors, consumer preferences and energy policies continue to evolve);
- Local program options that offer innovative rates, technologies and services to customers to lower electricity supply costs and risk for the program in aggregate, along with the electricity bills of participating customers from a "full bill" perspective (i.e., inclusive of transmission and distribution charges);
- Joint contracting opportunities for the construction of in-state renewable and battery storage
 projects financed under long-term contracts to diversify program energy portfolios, provide
 a physical hedge against wholesale market price fluctuations, enhance the resiliency of our
 electrical grid, and stimulate local construction and economic development.

Achieving the full scope of local policy goals being pursued by the Community Power programs participating in the Coalition would be difficult for any individual program operating independently.

D. Purpose of this Electric Aggregation Plan

The Electric Aggregation Committee was tasked by County Commissioners to draft this Electric Aggregation Plan with due input from the public, as required under RSA 53-E:6. Public hearings were held on 2/13/2024and 2/27/2024.

This plan sets forth the County's policy goals for the Merrimack County Community Power program, summarizes program governance and implementation processes, and commits the County to comply with applicable statutes and regulations in terms of:

- Providing universal access, reliability, and equitable treatment of all classes of customers subject to any differences arising from varying opportunities, tariffs, and arrangements in the utilities' distribution franchise territory; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power.

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

Commissioners retain the power to contract for all required program services and electricity supplies, to set rates, and to pursue related projects independently of the Coalition.

E. Approval Process

The Electric Aggregation Committee has determined that this Electric Aggregation Plan satisfies applicable statutory requirements and is in the best, long-term interest of the County and residents, businesses, and other ratepayers.

As such, County Commissioners may now submit this Plan for consideration by the County Delegation. Adoption of this Plan by the Delegation, by majority approval of those present and voting, establishes Merrimack County Community Power as an approved opt-in aggregation available to any residents, businesses, and other entities within the County who voluntarily request to participate, with statutory authorities defined under RSA 53-E:3, and authorizes Merrimack County Community Power to provide default electricity service on an opt-out basis for customers currently on utility default service within Merrimack County municipalities that request to participate in accordance with RSA 53-E:6. Adoption of this Plan by the Delegation authorizes the Commissioners to arrange and contract for the necessary professional services and power supplies to launch Merrimack County Community Power.

F. Implementation Process

This plan anticipates but does not require that Merrimack County will continue to participate in the non-profit Community Power Coalition of New Hampshire and rely on the Joint Powers Agency to provide for all the electricity and related services required to launch and operate Merrimack County Community Power.

- For service to customers within municipalities within Merrimack County who request to participate in an opt-out program by majority vote of their governing bodies, service will only commence under the condition that Merrimack County Community Power default electric rates are lower than the fixed energy service charge rates offered by Eversource, NH Electric Co-op, and/or Unitil for residential customers at the time of launch.
- Customer participation in Merrimack County Community Power is voluntary. After the
 electricity rates to be offered under the program are established, customers will be notified and
 may choose to opt-out of the program. After program launch, customers on default service
 provided by the program may choose to opt-out without penalty.
- Eversource, NH Electric Co-op, and Unitil will continue to deliver electricity to customers, own and operate the distribution systems (poles, wires, transformers, substations, etc.) and in most cases, provide account and billing services to customers participating in the program.
- All costs associated with operating the program will be incorporated into rates paid by Merrimack County Community Power customers and will not be passed on to taxpayers or customers who chose to opt-out of participating in the program.

Under the terms of New Hampshire's Community Power law (RSA 53-E):

- Community Power programs must be self-funded, with ongoing costs paid for using the revenues generated by participating customers.
- Municipalities and counties are only allowed to incur incidental costs associated with implementing Community Power programs, such as the costs necessary to comply with the Community Power law, up to the time that the program starts to produce revenue from

participating customers. Incidental costs should not include any costs that are more properly accounted for as capitalized or operating costs of the Merrimack County Community Power program.

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

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

i. Energy Risk Management, Retail Rates, and Financial Reserve Policies

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

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

- The Board of Commissioners would review and approve execution of the Coalition's Cost Sharing Agreement and Member Services Contract, along with the Data Security and Privacy Policy and the Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies approved by the Coalition's Board of Directors.¹
- The Coalition would provide the services and credit support necessary to launch and operate Merrimack County Community Power and would provide all-requirements electricity to customers participating in the programs.
- Confidential customer data would be handled in accordance with the Data Security and Privacy Policy.
- Power procurement and energy portfolio risk management, rate setting, and the accrual of financial reserves for the program would be carried out in accordance with the Coalition's Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies.
- The Coalition would collect revenues from program customers on the County's behalf and would recover expenses incurred on behalf of Merrimack County Community Power in accordance with the Cost Sharing Agreement.

Governance of the power agency will be carried out pursuant to the Coalition's Joint Powers Agreement. The Coalition's Board of Directors and committees of Member Representatives — the Executive Committee, Finance Committee, Risk Management Committee, Member Operations and Engagement Committee, Regulatory and Legislative Affairs Committee, Audit Committee, etc. — will continue to meet regularly and carry out their responsibilities to provide oversight and direction, supported by a qualified CEO and staff experts hired to provide day-to-day oversight and

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

management of the agency's service providers, operations, planning, and program development activities.

G. Plan Submission to the Public Utilities Commission

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

III. COUNTY GOALS AND OBJECTIVES

The County's goals in forming Merrimack County Community Power and joining the Community Power Coalition of New Hampshire are as follows:

- Lower Rates: provide residential default rates lower than those offered by Eversource, NH Electric Co-op, and Unitil;
- Expanded Choices for Renewable Energy and Other Innovations: offer optional products, such
 as supply options with higher and lower levels of renewable energy and time-varying rates that
 enable the intelligent use of customer energy technologies to reduce energy expenditures and
 carbon emissions on a voluntary basis;
- **Fiscal Stability & Financial Reserves:** maintain a reserve fund to ensure that the program remains able to offer competitive rates as market prices fluctuate over time;
- **Consumer Protections:** ensure that the contracts entered into on behalf of customers are fair and represent the interests of Merrimack County and its residents;
- Public Advocacy: represent the interests of Merrimack County and the program's customers at the Legislature, Public Utilities Commission and other relevant agencies on matters pertaining to Community Power and towards creating a more modern electric grid;
- **Cleaner, Local Power:** encourage the development of cost-effective projects to supply an affordable energy portfolio that prioritizes the use of in-state and local renewable energy;
- Regional Collaborations: collaborate with municipalities, other Community Power programs and government agencies to jointly develop cost-effective local renewable generation and storage projects, electric vehicle transit fleets (such as school buses) and charging corridors, and other clean energy infrastructure developments;
- Manage Risk, Limit Liability: protect Merrimack County against any risks or liabilities arising as
 a result of Community Power programs in the county, beyond those explicitly accepted by the
 Board of Commissioners as reasonable in connection with a specific Community Power program
 (e.g., energy procurement) or project (e.g., a renewable generation project developed by the
 Town).

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

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

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

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

Over the medium-term, the Coalition intends to facilitate joint development of local energy projects. Joint solicitations would likely streamline and lower the cost of development solicitations and enhance the negotiating power of the programs participating in the project. There will probably be development opportunities on county properties, presenting a win-win for the County and other off-taking Community Power programs.

IV. ELECTRIC AGGREGATION PLAN STATUTORY REQUIREMENTS

The following requirements for this Electric Aggregation Plan, in compliance with RSA 53-E:6, are addressed below:

- A. The organizational structure of the program;
- B. Methods of entering into and terminating agreements;
- C. Operation and funding;
- D. Rate setting, costs, and customer enrollment process;
- E. Rights and responsibilities of program participants;
- F. Net metering and group net metering policies;
- G. Ensuring discounts for Electric Assistance Program participants; and
- H. Termination of program.

A. Organizational Structure of the Program

Upon approval of this Plan, Merrimack County Community Power will be authorized to provide electricity and other related services to participating residents, businesses, and other customers in the County on an opt-in basis.

Upon request of one or more municipalities within Merrimack County, by majority vote of their respective governing bodies, and with approval by the County Commissioners, the program may offer default electricity service on an opt-out basis to customers on utility default service within those municipalities pursuant to RSA 53-E:6, I.

- The enabling resolution that a municipality shall adopt to join Merrimack County Community Power is provided in Attachment 1: Process to Join Merrimack County Community Power.
- After one or more municipalities have joined Merrimack County Community Power, governance over the program hereunder shall be subject to the requirements and considerations for participating municipalities afforded under <u>Attachment 2</u>: Merrimack County Community Council.

The Commissioners will have overall governance authority over the program. Decisions regarding Merrimack County Community Power, such as adopting Energy Risk Management, Retail Rates, and Financial Reserve policies will be made at duly noticed public meetings.

The Commissioners have adopted the Coalition's Joint Powers Agreement and appointed a primary and alternate representative to the Community Power Coalition of New Hampshire. The Coalition's By-Laws Section 5.3.2 states that the:

"Board shall at all times, so long as there are sufficient Member representatives from each of the following designations, include the following: not less than two Directors from cities, not less than two Directors from towns, and not less than two Directors from counties or joint powers authorities."

B. Methods of Entering into and Terminating Agreements

This Electric Aggregation Plan authorizes the Commissioners to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Merrimack County Community Power.

C. Operation and Funding

The Coalition provides the services and credit-support to enable Member municipalities and counties to plan, launch, and operate Community Power programs. The Coalition funds the upfront cost of implementing Merrimack County Community Power, the expense of which will be amortized and recovered in the program's rates and charges to participating customers for a specified term.

Services provided by the Coalition include portfolio risk management advisory services, wholesale Load Serving Entity (LSE) services, financial services, electronic data interchange (EDI) services with the utility, and customer notification, data management, billing, and relationship management (e.g., call center, website, etc.) services. Additional information on how Merrimack County Community Power will implement Load Serving Entity (LSE) services is found in Attachment 5, How Load Serving Entity Services will be Implemented.

Additional support services such as management and planning, budgeting and rate setting, local project development support, regulatory compliance, and legislative and regulatory engagement services (on matters that could impact the program and participating customers) will be addressed through a combination of staff support and contracted third-party services.

Merrimack County Community Power will provide "all-requirements" electricity supply for its accounts, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services, transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard.

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

Additionally, RSA 53-E provides Community Power programs with authorities on meter ownership, meter reading, billing, and other related services. These authorities would provide the County with new ways of encouraging the adoption and use of innovative technologies (e.g., facility energy management systems, onsite battery storage systems, controllable electric vehicle chargers, etc.). Such initiatives will save money for customers, enhance local grid resiliency and decarbonize the County's power supply.

However, the implementation of these authorities is expected to take some time. It requires action by the Public Utilities Commission to adopt enabling rules and coordination with the utilities to adapt existing meter and billing system processes.

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

Any retail electricity customer taking service in the County may request to opt-in and take service from Merrimack County Community Power.

Municipalities within the County may request to participate in Merrimack County Community Power by a majority vote of their respective governing bodies. The program may offer such customer service at the Commissioners' direction, including increased renewable power content (in excess of the Renewable Portfolio Standard minimum requirements), distributed energy and intelligent device products or services, Net Energy Metering supply rates and credit mechanisms, time-varying rates, and other innovative energy products.

Retail electricity customers who do not participate in Merrimack County Community Power shall not be responsible for any costs associated with the program, other than incidental expenses incurred by the County before the program starts producing revenue. (Examples of incidental expenses include the staff time involved in drafting this Plan, and the cost for an attorney to review any contracts.)

As required by law, the program will ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories.

Customers will be treated the same based on their circumstances. For example, customers within the same class that request to join the program at different points in time may be offered different rates (based on how the market price for electricity has changed).

Rates will be set at a level such that revenues from participating customers are projected to be sufficient to cover the ongoing operating and capital costs of the program. Changes to the program's default rates shall be set and publicly noticed at least 30 days before any rate change.

The County intends to maintain competitive rates while working to achieve the program's goals as outlined in this Electric Aggregation Plan. For this purpose, the Commissioners may adopt Energy Risk Management, Retail Rates, and Financial Reserve policies to govern the program's power procurement and rate-setting decisions.

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

- In the near-term: maintain competitive rates in the context of price fluctuations in the electricity market and other factors;
- In the medium term: as collateral for power purchase agreements (including for the development of new renewable projects), and for additional credit enhancements and purposes that lower the program's cost of service; and
- Over the long term: to fund other program financial requirements or augment the financing for the development of new projects and programs in the later years of the program (subject to the Commissioners' approval).

i. Enrollment Process and Options for Provision of Default Electricity Service on an Opt-Out Basis

Merrimack County Community Power may provide an alternative default electricity service to the utility-provided default service rate on an opt-out basis within Merrimack County municipalities that request to join the program. A Merrimack County municipality may request to join the program by majority vote of its governing body, which request may be approved by Commissioners.

After approval of this Electric Aggregation Plan and before the launch of Merrimack County Community Power default service within a city or town that requests access to the program, all customers within those municipalities will be sent notifications regarding the program and offered the opportunity to participate:

- Customers currently on default service provided by the electric distribution utility will be sent
 "opt-out" notifications describing the program, its implications for the city or town, the rights
 and responsibilities of customers, and program rates and charges with instructions on how
 to decline participation, and thereafter be transferred to Merrimack County Community Power
 if they do not opt-out of the program prior to launch.
- Customers already served by Competitive Electric Power Suppliers will receive "opt-in" notifications describing the program and may request to opt-in to the program.

Customers will be notified through a mailing, which will be posted not less than 30 days prior to the enrollment of any customers. All information will be repeated and posted at the County's Community Power website, for example, www.CommunityPowerNH.gov. A public information meeting will be held within 15 days of the notification to answer program questions or provide clarification.

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

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

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

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

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

E. Rights and Responsibilities of Program Participants

All participating customers will have available the customer protection provisions of the law and regulations of New Hampshire, including the right to question billing and service quality practices.

Customers will be able to ask questions of and register complaints with the County, their distribution utility, and the Public Utilities Commission.

Merrimack County Community Power shall maintain individual customer data confidentiality in compliance with its obligations as a service provider under RSA 363:38 ("privacy policies for individual customer data; duties and responsibilities of service providers") and other applicable statutes and Public Utilities Commission rules.

Confidential data includes individual customers' names, service addresses, billing addresses, telephone numbers, account numbers, payment information, and electricity consumption. This data will not be subject to public disclosure under RSA 91-A ("access to governmental records and meetings"). Suppliers and vendors for Merrimack County Community Power will be contractually required to maintain individual customer data confidentiality according to RSA 363:38, V(b). Attachment 6, Customer Data Protection Plan, details the reasonable security procedures and practices that the County and Merrimack County Community Power will employ to protect individual customer data from unauthorized access, use, destruction, modification, or disclosure.

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

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

Customers are responsible for requesting an exemption from collecting any applicable taxes and must provide appropriate documentation of such an exemption to Merrimack County Community Power.

Participating customers may choose to switch suppliers, subject to any contractual obligations the customer previously entered into with Merrimack County Community Power, by submitting adequate notice in advance of the next regular meter reading by their distribution utility.

F. Net Metering and Group Net Metering Policies

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

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

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

Merrimack County Community Power may offer a Net Energy Metering (NEM) supply rate and credit mechanism on an opt-in basis to customers with onsite generation eligible for net metering from their distribution utility. Customer-generators would continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from their distribution utility, as specified under the terms of the utility's applicable net energy metering tariff.

Merrimack County Community Power's exact terms, conditions, and rates for compensating and crediting different types of NEM customer generators in the County would be set at duly noticed public meetings and fully disclosed to all prospective NEM customers that request to opt-in to take service.

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

- Dual-billing customer-generators separately for supply services;
- Offering time-varying rates and alterative credit mechanisms to compensate customers for surplus generation; and
- Streamlining the establishment of new Group Net Metering and Low-Moderate Income Solar Project groups;
- Facilitating interval meter and Renewable Energy Certificate (REC) meter installations for customer-generators; and
- Engaging at the Legislature and Public Utilities Commission to advocate for upgrades and reforms to metering and billing infrastructure and business processes to enable Net Energy Metering and other innovative services to benefit customer-generators.

For more information on net metering see Attachment 4.

G. Ensuring Discounts for Electric Assistance Program Participants

Income-eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. In the event Merrimack County Community Power begins accepting customers on an opt-in basis, the program would support income-eligible customers who enroll in the Electric Assistance Program to receive their discount.

Electric Assistance Program discounts are funded by all ratepayers as part of the Systems Benefits Charge, which is charged to customers and collected by the distribution utilities.

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

Merrimack County Community Power would consequently rely on the utilities to bill all customer accounts enrolled in the Electric Assistance Program. This represents no change in the provision or funding of this program.

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

H. Termination of the Program

There is no planned termination date for Merrimack County Community Power.

The County Delegation may terminate Merrimack County Community Power by majority approval of those present and voting. If so terminated, Merrimack County Community Power would cease operations after satisfying any obligations contractually entered into before termination, and after

meeting any advance notification period or other applicable requirements in statute or regulation, at which point participating customers would either be transferred to default service provided by the utilities or to a Competitive Electric Power Supplier of their choosing.

Merrimack County Community Power will provide as much advance notice as possible regarding the program's potential or planned termination to participating customers, the Coalition, the Public Utilities Commission, and the utilities.

Upon termination, the balance of any funds accrued in the program's financial reserve fund and other accounts, if any, would be available for distribution or application as directed by the Commissioners and under any applicable law and regulation.