

Town of Candia Community Power Committee Approved Meeting Minutes

Meeting Date: August 11, 2022
Location: Town Office Building

Attendees: Kevin Coughlin (Chairman)
Dick Snow
Beth Chalbeck
William Saffie (Vice Chairman)
Ryan Young (Present via Zoom @ 7pm)
Brenda Coughlin (Secretary)

Chairman Coughlin opened the meeting at 6:30 PM

Pledge of Allegiance

Approval of Minutes from July 2022

Reviewed minutes, no amendments recommended.
Beth Chalbeck motioned to approved minutes
Brenda Coughlin seconds motion
Motion to approve unopposed.

Old Business/New Business

Kevin Coughlin discussed at previous meeting, for the benefit of the town a request of interest was sent to 9 of the remaining NH Aggregators. Freedom Energy Logistics in Auburn was the only response. Representatives from Colonial Power in Marlboro MA were invited to explain their program/support services to our committee. Previous presentation several meetings back was with Standard Power.

Stuart Ormsbee and Mark Cappadona from Colonial Power introduced themselves and explained they were contacted from Freedom Energy Logistics which mainly focuses on procurement for commercial customers. They did step into community choice aggregation several years ago. They have become business partners with Colonial for municipalities in NH. They have a strong presence on both the regulatory and legislative fronts. Colonial Power has been involved in municipality aggregation from the onset (16 years ago) but solely in MA. The program in MA is mature and growing, they are contracted with city of Boston.

Kevin asked for any updates for finalization of approved rules, etc. from the PUC.

Stuart stated the current status voted to approve the rules in late July however it now goes back to the administrative committee to check to be sure the regulatory agency carried out the wishes of the legislature. Usually isn't a process and will be looking at this August 18th. Next step would be for it to go back to the commission to check the box and adopt the rules. It is at that point it becomes official which then programs can be created and submitted to the PUC for approval. It is important to note that suppliers of energy are not interested in serving NH until the PUC passes a Purchase of Receivables Program. The PUC has included in their approved rules a provision which requires all utility companies to file a purchase of receivables program. This will probably make the filing closer to the end of the year, then an additional process for those programs to be adopted. This is like a credit insurance. The utilities will agree to take on the credit and

collections risk in exchange for a fee. So as example the supplier pays Eversource a fee and Eversource takes care of the collections. This process has been done for years in MA, CT, RI, etc. So, Eversource will file a plan with the PUC which will approve their plan. Fortunately, Eversource will simply submit their plan that has been adopted in other states that works well. This will shorten the process, so there is time to get this program created.

Discussion ensued regarding Direct Energy and many town folks were moving towards their program. Stuart stated the rates offered by Direct Energy were quite attractive compared to current rates.

Kevin asked who the agreements would be made with going forward. Stuart commented it would be with Colonial Power, a single company. Regarding a contract, it would be with the Town of Candia and would be an OPT IN/OPT OUT option for all residents without penalty. Discussion ensued regarding if the anticipated demand from the town didn't actualize would the town be on the hook financially. Stuart stated NO, the risk is all on the supplier. Even if all residents OPT OUT except for one resident, that resident will still receive the rate contracted with the town. However Colonial Power would remain managing the program.

Brenda Coughlin asked if Colonial Power goes out to shop for rates at certain times of the year. Mark stated they are shopping everyday but February seems to be looking like a very good time to set a rate. There are a lot of geopolitical issues ongoing currently so there are some unknowns.

Kevin Coughlin asked Stuart to re-explain why power gets so expensive. Stuart explained NE electricity is generated predominantly by natural gas generation. We rely heavily on natural gas. Over the years we have been rather stingy with allowing more pipelines into New England. So, we are short on pipelines which isn't a problem until we get into the winter heating months when demand goes up. What makes matters worse is there is a very arcane law which prohibits the shipping of products from one US port to another US port. If we could ship natural gas from say the Gulf of Mexico to a terminal in Boston. This can't be done so we as a region must buy our gas from the world market. Factor what is happening in Ukraine and Europe, which are clamoring to buy natural gas and get off Russian gas. They are buying up US natural gas at a premium, as is Korea and Japan so prices have been going through the roof. This is a federal law called the Jones Act. This law is essentially to protect the ship builder's industry. Gas is too volatile to truck over the roads. So due to the cost of building a US owned ship (approx. 330 million dollars) to transport natural gas to our ports, compared to a ship built in Trinidad for One hundred 12 million dollars, all ships are built there, and the Jones Act prohibits the US to take a Trinidad ship from the Gulf and bring it to our port. So, a point of importance is in the past we weren't watching prices daily but now we are looking not only at the world market but also the European market. Colonial is watching the market for a lot of market factors to help us provide guidance on how much time to lock into a rate.

Mark pointed out a very big difference between Colonial Power and all their competitors, their sole focus is on municipalities. If Colonial received a commercial request, they would pass it along to Freedom to manage. Colonial only focuses on residential. This is a big difference.

Beth Chalbeck asked how that makes a difference being solely focused on one section of power, residential VS commercial. Mark explained because this is a very specific focus you want to work with a company that rather specializes in your need. An example was provided: if you needed surgery on your hand would you go to a general surgeon or to an orthopedic surgeon.

Brenda Coughlin asked if they offered a green program. Mark explained to be careful when creating the program. If you create a good base product for the best price, then

people who wanted to be more green or totally green could OPT up as an option. You could offer for instance a 50% or 100% green option; you are providing choices.

Brenda Coughlin asked how much guidance Colonial would provide the committee in the development of program. Mark responded absolutely and all they would want is direction from the committee, they would make all the calls, do all the work, we would do exactly what the town wants to have done. We would only want you to give direction there is no workload on the committee except for decision making.

Dick Snow asked if Colonial had any towns that are joint, working together. Mark responded yes, in the Berkshires they have 13 communities, in Franklin County we have another 12 communities that had decided to work together.

Beth asked for better clarification how OPT IN/OPT OUT would work. Mark explained 30 days before the Candia program starts each residence with a meter would get a mailing, if you sign the card, you would not be enrolled in the program, say some folks may want to sit back and just see how the program plays out at first. Those that don't sign the card would be automatically enrolled into the program with the energy supplier of choice at the agreed rate. Say 2 months later that person decides they want to OPT OUT of program. They would sign the card and mail it into Colonial Power. If they lose the card, they would either call or sign into web page and OPT OUT. It is simple, these programs are about choice, completely opposite of what you normally see with a utility company. An important piece for the committee to remember is because the market is so volatile right now and into the foreseeable future, it may be more prudent to go with a smaller contract time compared to longer, such as 6 months VS 2 years. The rates are moving too much right now to lock into longer time frame.

Dick Snow asked for an explanation about an upcharge to the rate to fund a Program Manager. What would they possibly be responsible for. Mark responded that some communities in MA funded a person to oversee how to keep the program efficient. An example was how to get solar for the high school or an LED conversion, etc. As your program develops you may merge with several other towns and jointly contribute to one person to manage the multiple towns program. It is just an option. MA is involved in so many options such as windmills etc., it takes a person to coordinate.

Kevin Coughlin asked who would be responsible for signing contract. Stuart advised the Board of Selectman customarily do and advised to seek out answer. Dick Snow added according to the statute, since the Board of Selectman appointed the Power Committee the statute states the committee has authority to sign. Will seek clarification from BOS. There is an internal problem with the NH Coop system with handling billing. It was suggested that NH Coop may not participate in this program as a result. The number of residents in town is a small number but this should be clarified! **It is important that this issue is addressed with the PUC make note of this!** Candia is considered a split community having two different utility companies. The ball is really in the NH Coop, they see the rules, they may be willing to accept the risk for a small number of folks. The PUC doesn't have the same authority over NH Coop as they do the utility companies. It is doubtful that the PUC would hold NH Coop's lack of cooperation for the program against the town.

Educating the town is important, having education meetings in the evening, maybe during the day for the fixed income retirees. Offer a coffee and share of information.

Next Steps:

1. Choose a company to work with

2. Begin to develop a plan
3. Present a plan to a town meeting
4. Then file plan with the PUC they have 60 days to approve plan
5. Approval of plan then starts speaking with suppliers

Discussion ensued about differences between the two different companies. The similarities were very close. The decision should come down to who is going to support us best.

Review results from the survey on Candia Community Awareness
Decide which group we will go with.

Next Meeting is September 8 @ 6:30

With there being no further business,
Brenda Coughlin motioned to adjourn the meeting
Dick Snow seconds motion
Motion Unanimously
Meeting was adjourned at 8:27 pm

Submitted by: Brenda Coughlin, Secretary