

**Sustainable Hanover - Energy Initiative  
Hanover Electric Aggregation Committee (HEAC)  
Minutes of Monthly Meeting  
Tues, March 14, 2023**

**Attending:** Yolanda Baumgartner, Stowe Beam, Bill Brown, Barb Callaway, Judi Colla, Robin Kaiser, Pete Kulbacki, Dennis Robison, Ben Steele. Guests: John Chaffee (Leb); Woody Rothe (Leb)

Judi reminded everyone that February minutes have been posted and invited them to make comments.

There were no announcements.

**CPCNH News:**

Judi sat in on the 3/10/23 meeting of the CPCNH Board. She reported on two items (in addition to rates) of particular importance:

1) The CPCNH Board voted to authorize the sending of a complaint to the PUC regarding the failure of the major utilities to follow what they say are the 2200 rules and statutes with regard to net metering customers.

2) There are three candidates on the short list for the CEO position at CPCNH. All the interviews are finished—they began with 50 candidates identified by a search firm. Pete says that all three finalists are good and very qualified. The top choice has been recommended to the Board. They expect a 2-4 week transition for that person to move from their current position. Pete commented that April has been an integral part of the search process.

**CPCNH Rates:**

The CPCNH Board announced the following rates for their four power options:

|                                       |                |
|---------------------------------------|----------------|
| Granite Basic, 23.4% renewable power: | 15.8 cents/kWh |
| Basic Plus, 33% renewable power:      | 16.2 cents/kWh |
| Clean 50, 50% renewable power:        | 16.9 cents/kWh |
| Clean 100, 100% renewable power:      | 19.1 cents/kWh |

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|---|------------------|
| Liberty's rate (23.4% renewable power): | 22.007 cents/kWh |
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Eversource's rate (23.4% renewable power): 20.221 cents/kWh

With 10 towns launching this spring, CPCNH estimates nearly 66,000 customers will be switched to their respective town's default community power rate. When the rest of the CPCNH towns launch (30 towns total, at this point), CPCNH will be larger than all of the utilities, except Eversource.

Pete explained that the bulk of our rates (60%) is for our reserve. Energy costs are 4.7 cents plus 1.25 cents for a stability guarantee payment. (The guarantee is paid to Calpine who agrees to cover the energy cost if the entity with whom we contract is unable to supply the energy). Pay back for startup costs is minimal (a fraction of 1 cent) and will phase out after three years. All startup costs are projected to be paid back after 5 years, with new communities shouldering the cost after the initial 3 years.

Reserves will help us with spikes in energy costs. It will take 24-36 months for us to build up enough reserves to see us through 60-120 days of costs (required policy). (In contrast, the utilities cannot cover spikes in energy costs, because they have no reserves.) Additionally, as reserves build, we will be able to develop projects working with CPCNH, other towns, or independently.

The above rates are good between now and August. For now, CPCNH will follow adjust rates every 6 months as does Liberty and Eversource.

To begin with, CPCNH is allowing communities to offer only Granite Basic or Granite Plus as their defaults. This makes the process cleaner and easier for the launch. Also, if we offer a default rate that is too high, we risk losing people, especially since third party, competitive suppliers are flooding the market with offers of electricity rates that are even lower than Granite Basic (these low rates lure the customer in and then often switch to much higher, variable rates after a few months).

Pete confirmed that CPCNH's long-term vision is to procure electricity from local or regional renewable sources. This will give us better control over the product and offer the most resilient and sustainable model.

At the moment, 60% of the capacity in our electricity generation in NH is natural gas. About 20% is nuclear. The cost of natural gas, which always goes up in the winter and has risen even more with the Russian invasion of Ukraine, drives our prices.

At this point, the HEAC committee took a vote to set Hanover's default rate for Hanover Community Power. In advance of the vote, Judi summarized what other towns have decided.

Enfield, Harrisville, Nashua, Exeter, and Walpole have all chosen Granite Basic, with a total of 4 options.

Peterborough has chosen Granite Plus, with a total of 4 options.

Plainfield and Lebanon have yet to vote (\*Plainfield has since voted for Granite Plus and Lebanon, for Granite Basic).

(Note: Keene is not part of CPCNH. They have launched with Standard Power at a rate that is lower than what CPCNH can offer. However, they have no control over that rate. They are also not paying any startup costs, but neither are they creating any sort of a reserve fund. The bulk of what they pay is going into the pocket of Standard Power instead of being used as an investment in their own energy future.)

The reason that most CPCNH communities decided to opt for Granite Basic is because they are concerned that people will opt out of the program if there is too big a differential between what CPCNH can offer and what is being offered by competitive suppliers, despite the manifold benefits of going with CPCNH (especially long-term price stability and local control). Also, there was concern that there would be community push back from people if the default rate was too high.

The renewable portion of CPCNH offerings is supplied by NH qualified RECs.

Pete summarized our contractual agreement with CPCNH. We have one year from the launch to cut our strings entirely with CPCNH. After one year, we must stay with CPCNH for 3 years, after which we can choose to leave.

Pete says that it should take 24-36 months to build our reserves after which we can choose to reduce our rates.

Yolanda commented that we are likely to get some sophisticated questions from Hanover residents, and she asked to whom at CPCNH we should refer people.

Pete suggested we refer questions that we cannot answer to the Board of Directors at CPCNH. Kim Quirk is the Finance Director. There have been no audits, yet. CPCNH is actively looking for an auditor.

At this point, Judi asked for a general discussion regarding which rate Hanover Community Power should offer as our default rate. The consensus quickly formed that HCP should start with Granite Plus.

**Ben Steele made a motion for HCP to offer all 4 rates, of which Granite Plus is to be the default rate. Marjorie seconded the motion.**

**The motion passed unanimously (Yolanda Baumgartner, Stowe Beam, Barb Callaway, Judi Colla, Robin Kaiser, Dennis Robison, Ben Steele.)**

Judi offered a big thank you to Pete Kulbacki for all of his ongoing work to make HCP a reality.

Discussion moved on to the HCP timeline, public information session, and publicity.

**Other Business:** Judi announced that the articles on the Dresden and Hanover School Warrants in support of policies that support the transition from fossil fuels to renewables passed.

Regarding transportation, Ben Steele had nothing to add.

Respectively submitted by Robin Kaiser, 3/28/23