Community Power Plan
Town of Mason, New Hampshire

January 2024

Version 1.2

Executive Summary

Mason Community Power is a new program, authorized by the New Hampshire legislature, to provide electricity to residents, businesses, and other entities on a competitive basis. Under the program:

- Mason Community Power, once operational, will serve as the default electricity supplier to residences and businesses within the Town of Mason. Like all electricity suppliers, it will be self-funded through revenues received from participating customers. The Town will not need to raise taxes to pay for it.
- Eversource, our local utility, will continue to deliver electricity to customers, own and maintain power lines, and bill customers.
- Mason's Select Board, with advisory support from the Mason Energy Aggregation Committee (EAC), will be authorized to: (i) contract for the necessary services and power supplies to implement and operate the program, (ii) set customer rates prior to program launch, and (iii) provide oversight over the program thereafter. The Town will work with one of two organizations, described later, that knows the electricity market. Town staff will not need expertise in the energy sector.

Once the Town and the NH Public Utilities Commission (NHPUC) approve Mason's Community Power Plan and after the Select Board has approved a power supply contract, all electricity customers in Mason will be notified. Customers currently using the Eversource default service will be enrolled in Mason Community Power after a 30-day period during which they may opt out and remain with Eversource's default service if they wish. If they do not opt out, customers will be transferred to Mason Community Power's default plan by a date given in the notification.

Customers buying electricity from a third-party supplier may opt into the Mason Community Power program.

The Mason Community Power Plan will also provide a means for ratepayers to support energy efficiency, job creation, and climate resilience and preparedness regardless of their economic status.

Mason Community Power will:

- **Offer a default option** that will, on average, be less expensive than the Eversource default but will include a higher portion of renewable energy. The percentage of renewable energy will increase over time.
- **Offer two opt-up alternatives,** one with approximately 50% and another at 100% renewable electricity, possibly at higher prices.
- **Offer an opt-down alternative** to be as inexpensive as possible while meeting state requirements for renewable energy.
- **Provide fiscal stability** to ensure the program maintains competitive rates and advances the Town's renewable energy policy goals over the long term, once the town establishes the renewable energy goals.

Mason Community Power Goals and Objectives

History

The Mason Select Board sought volunteers for a committee to investigate possible routes to having Community Power in the town. On July 31, 2023, the Select Board appointed volunteers to serve on the Mason Energy Aggregation Committee (EAC), an official Town Committee. The EAC began public monthly meetings in the Mann House in Mason, on July 31, 2023. Four members attended.

The EAC decided that the best approach was to review other town's plans, to meet with other towns that had already implemented Community Power and to consider meeting more frequently than once per month. The overall goal was agreed to increase the proportion of renewable energy in the Town's electricity mix, while maintaining low prices. Another goal would be to take advantage of the possibilities for Community Power provided by recent New Hampshire legislation (RSA 53-E, as modified in October 2021, by HB 315; "NH Community Power Legislation" (see Appendix 2 for details on RSA 53-E and other NH laws that enable Community Power.)

The EAC would review and/or contact two organizations that help New Hampshire municipalities take advantage of NH Community Power legislation. One of these is a Community Power Broker/Service Provider:

- **Standard Power** (https://standardpower.com/) and its partner, Good Energy

The other is a non-profit, Joint Powers Agency (see appendix) that was recently incorporated and is governed by the appointed representatives of the towns, cities, and counties that join as members:

- **The Community Power Coalition of New Hampshire** (CPCNH https://www.cpcnh.org/)

Each of the above entities currently provides Community Power programs and offers assistance to various towns in NH. The Mason EAC also met with members of the Peterborough Community Power Task Force who were instrumental in bringing Community Power to the town of Peterborough. Those members, as it turns out, are also able to represent CPCNH. Those members assisted with creating a program and implementing a Community Power program after it was approved by Peterborough voters and by the New Hampshire Public Utilities Commission (NHPUC).

The EAC reviewed examples of Community Power plans that other communities have already approved. The EAC decided in July and August of 2023 to begin to develop its own plan using those from Peterborough, Webster, Hanover, Harrisville, Wilton and Keene as models, with modifications appropriate to Mason. The EAC will continue to improve this plan draft (August 2023) as they receive input from the Select Board, the public and perhaps other towns.

Once approved by the Town, the Plan will be submitted to the NHPUC for approval. The EAC will address any and all issues raised by the NHPUC and resubmit the Plan, as necessary. The EAC will recommend one of the two above-mentioned organizations to the Select Board, which will subsequently select one and start the process of implementation and maintenance of the Mason

Community Power Program.

Immediate Goals

- **Offer lower rates** than those available from Eversource.
- **Offer energy choices** in terms of percentage renewable power and pricing.
- **Offer consumer protections** to ensure contracts are fair.
- **Provide fiscal stability**, including development of a reserve fund, both to ensure maintenance of competitive rates and/or to develop local energy resources and programs.
- **Maintain enhanced customer focus** to enable customers to voluntarily adopt new clean energy technologies that reduce energy expenditures and carbon emissions.

Longer-Term Goals

- **Create community resilience** programs to reduce energy consumption, lower energy bills, create jobs, and build local back-up power supplies.
- **Stimulate the development** of local renewable electricity generation and storage.
- **Support regional development** of clean energy infrastructure.
- **Represent Mason's interests on energy issues** at the NH Legislature and the NHPUC.

Purpose of this Community Power Plan

This plan sets forth the Town's policy goals for its Community Power program, summarizes Mason Community Power's governance and implementation processes, and commits Mason Community Power 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 Eversource's distribution franchise territories.
- Meeting, at a minimum, the basic environmental and service standards established by the NHPUC and other applicable agencies and laws concerning the provision of service under Community Power.

The selection process the EAC will use to make the recommendation may include: further due diligence, reviewing the two organizations' presentations, websites, as well as responses to questions that were developed to ask each provider.

How Mason Community Power Will Operate

For an explanation of terms used in this document, see Appendix 1.

A. Organizational Structure

This is how the management of Mason Community Power will be structured once the NHPUC approves the Mason Community Power Plan:

Energy Aggregation Committee (EAC): The EAC will develop a draft plan, hold public hearings on the plan to solicit public input, revise the draft plan based on that input, and submit a plan to the Select Board for its approval. Within parameters set by the Select Board, the Energy Aggregation Committee may continue to advise the Select Board and hold meetings to assess program performance, discuss how to evolve the services and products offered to customers, and address issues that need attention.

Select Board and town voters: In accordance with RSA 53-E:7, Mason's registered voters will decide at Town Meeting whether to adopt, by a majority approval of those present and voting, the Community Power Plan after the Energy Aggregation Committee and the Select Board have approved it. The Select Board will review and enact (or not) any future proposed amendments to the plan.

Mason Community Power: Once voters approve the Community Power Plan, Mason Community Power will be authorized to provide electricity and other related services to participating residents, businesses, and other customers in the town. The Select Board will oversee the program and has overall governance authority with guidance from the EAC and other experts. Decisions regarding Mason Community Power, such as the adoption of an energy risk management policy and approval of rates, will be made at public meetings.

Once voters approve the plan, the Select Board, working with the Energy Aggregation Committee, will determine how to provide for the launch and operation of Mason Community Power in the Town's best interest. The EAC will recommend one of the two organizations mentioned earlier to the Select Board, which will subsequently select one and start the process of implementation and maintenance of the Mason Community Power Program.

The two options have different organizational structures as summarized below.

(1) Community Power Broker/Service Provider option:

Select Board: The Select Board would designate EAC to provide direct management and oversight of the plan on behalf of the town. The EAC would be responsible for:

- Hiring a Community Power Broker/Service Provider
- Coordinating with other municipalities to conduct a joint solicitation (if desired)
- Meeting regularly with the Community Power Broker/Service Provider to provide oversight of the plan
- Making recommendations to the Select Board on plan amendments

- Authorizing the issuance of bids for power supply
- Negotiating and executing electricity supply agreements (ESAs) consistent with the products and goals described in this plan

Community Power Broker/Service Provider: The Broker/Service provider would manage certain Program activities under the direction of the EAC. Their responsibilities would include, among others:

- Coordinate and interact with Eversource.
- Develop and implement customer communication and education activities.
- Provide periodic reports to the EAC and Mason Select Board.
- Negotiate ESAs with credit-worthy, risk-managing Competitive Electric Power Suppliers (CEPSs). Lead oversight and quality assurance of competitive supplier.
- Provide customer services including staffing web and telephone-based services.
- Lead oversight and quality assurance of competitive supplier.
- Represent the Town's interests at the NH PUC.
- Consult on rate setting, design, and renewables sourcing.

Competitive Electric Power Supplier (CEPS): All Competitive Suppliers would be relied upon to:

- Provide "all-requirements electricity" for the program.
- Fulfill other responsibilities deemed reasonable and appropriate for retail electric customers as detailed in the ESA.

Standard Power/Good Energy/Broker as a Community Power Broker/Service Provider

The Mason Select Board would designate a person or persons(s) to work directly with members of the Standard Power team to move Community Power forward in Mason. Standard Power is a for profit company. They work with a partner – Good Energy.

Energy brokers are intermediaries between energy suppliers and their clients. In the case of Mason Community Power, the client is the Town of Mason, operating on behalf of its residents. Brokers do not own or distribute energy and they are not allowed to sell energy directly to you. They simply present the rates of a wholesaler, or supplier. Similar to the relationship of a real estate agent and the home or commercial property they help you find.

With a deep understanding of the energy markets and access to multiple energy suppliers, energy brokers are able to find the best energy prices for their clients and simplify the often-confusing process of energy procurement. As the energy industry continues to evolve and change, the role of energy brokers becomes even more important. With the advent of new technology and the increasing popularity of renewable energy, it can be overwhelming for clients to navigate the energy market and make informed decisions about their energy consumption.

This is where energy brokerage comes in. Energy brokers use their expertise and experience to help clients stay ahead of the curve and make the most of their energy usage. Whether it's negotiating the best rates from energy suppliers, helping client's transition to renewable energy, or advising on

energy efficiency projects, energy brokers are dedicated to helping their clients achieve their energy goals.

Residential energy brokers specialize in working with individual homeowners and small residential customers. They act as intermediaries between homeowners and local utility providers to arrange service contracts for electricity and sometimes heating services. The customer pays the broker a fee for their services, but most businesses find that this fee is outweighed by the savings they receive in lower energy prices. The goal of a residential energy broker is to find the best possible energy contract for their customer while taking into account the customer's present energy needs and anticipating any changes in the future.

(2) Community Power Coalition of New Hampshire (CPCNH) option:

Membership in CPCNH: The Select Board of the Town of Mason would:

- Vote to approve CPCNH's Joint Powers Agreement to become a member.
- Appoint a person or person(s) to represent Mason to CPCNH. These folks will attend any and all CPCNH meetings as required.
- Review and approve the CPCNH Member Cost Sharing Agreement (which would specify the Town's choice of services provided by CPCNH.
- Review and approve the Energy Risk Management and Financial Reserves Policy prepared with the assistance of CPCNH which would govern the program's power procurement and rate-setting decisions.

Mason's CPCNH Member Representative: would:

- Act as the Town's Member Representative under the terms of the Joint Powers Agreement.
- Help oversee the start-up of Mason's Plan with CPCNH and operation of the plan.
- Provide input regarding the CPCNH's public advocacy on matters of policy and regulation.
- Provide feedback and direction to the CPCNH's service providers and staff as operations and customer services evolve over time.
- Report regularly regarding the performance of Mason Community Power and on any matter that warrants attention or requires action by the Select Board.

Community Power Coalition of New Hampshire (CPCNH): The CPCNH will:

- Issue a competitive solicitation for the services and credit support necessary to operate the new power agency.
- Be relied upon to procure "all-requirements electricity" and provide all the services required to launch and operate Mason Community Power.
- Manage Mason's power supply in accordance with the Cost Sharing Agreement and Energy Risk Management and Financial Reserves Policy approved by the Select Board (which may, for example, stipulate the Town's choice of how to balance considerations of cost versus higher renewable power content, including not-to-exceed rates, etc.).

CPCNH Board of Directors: The CPCNH board of directors would:

- Govern the power agency to ensure that the power agency provides the services necessary to carry out each of its members' stated policy requirements, such as:
    - Increased renewable and local power sources
    - Competitive rates
    - Accrual of financial reserves
    - Promulgation of local programs
- Carry out its responsibilities in accordance with the processes specified in the CPCNH Joint Powers Agreement, including by establishing a number of committees (also composed of Member Representatives) that meet regularly to provide additional oversight over specific areas of focus — such as:
    - Executive Committee
    - Finance Committee
    - Governance Committee
    - Member Operations
    - Engagement Committee
    - Regulatory and Legislative Affairs Committee
    - Risk Management Committee (For example, the Risk Management Committee has been tasked with managing the competitive solicitation for services and credit support described above.)

B. Operations and Funding

Mason Community Power will contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate the program. Once selected, either the CPCNH or the Community Power Broker/Service Provider will assist with selection of and contracting with qualified vendors and suppliers.

These third-party entities are expected to fund the upfront cost of implementing the program, the expense of which will be amortized and recovered in the program's rates and charges to participating customers. The third parties may also seek opportunities to apply for grant funding.
Services provided by third-party entities required to launch and operate the program will include:

- Portfolio risk management services (direct [Coalition model] or by the Competitive Electric Power Supplier [Broker model])
- Wholesale supplier services direct [Coalition model] or by the Competitive Electric Power Supplier [Broker model])
- Financial services
- Electronic data interchange with the utilities
- Customer data management and billing services
- Customer notification and relationship management services (e.g., call center or website)
- Additional support services pertaining to 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

Mason Community Power will provide "all-requirements" electricity supply for its customers, including all the electrical energy, capacity, reserves, ancillary services, transmission services to the

extent not provided by Eversource, transmission and distribution losses, congestion management, and other services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard (NH RSA 362-F). Electricity supply contracts will be executed or guaranteed by investment-grade entities, and suppliers will be required to maintain sufficient insurance and meet appropriate performance levels.

If a single supplier is relied upon to provide all-requirements electricity on behalf of Mason 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 to diversify counterparty credit risk exposure, and actively managed to provide for all-requirements electricity on behalf of Mason Community Power, 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, Rates, and Financial Reserves policies that would be established prior to commencing procurement and implementing the program.

Additional information on how Mason Community Power will implement Load Serving Entity (LSE) services is found in Appendix 4, *How Load Serving Entity Services will be Implemented.*

Additionally, NH RSA 53-E provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Mason Community Power with the ability to help customers adopt and use innovative technologies (for example, building management systems, smart thermostats, backup battery storage systems, or controllable electric vehicle chargers) in ways that save money, enhance resiliency of the grid, and decarbonize our power supply.

However, the implementation of these authorities is expected to take time, as it requires the NHPUC to adopt enabling rules and coordination with Eversource to adapt existing meter and billing system processes.

C. Rights and Responsibilities of Program Participants

All participants will have the customer protection provisions of the law and regulations of New Hampshire, including the right to question billing and service quality practices. Customers may ask questions of and register complaints with the Town of Mason, Eversource, and the NHPUC.

Mason Community Power shall maintain the confidentiality of individual customer data in compliance with its obligations as a service provider under RSA 363:38 (Duties and Responsibilities of Service Providers) and other applicable statutes and NHPUC rules. Confidential data includes customers' name, service address, billing address, telephone number, account number, payment information, and electricity consumption that can identify, singly or in combination, a specific customer. This data will not be subject to public disclosure under RSA 91-A (Access to Governmental Records and

Meetings). Suppliers and vendors for Mason Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b).

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

Participants will continue to be responsible for paying their electricity bills. Failure to do so may result in a customer being transferred from Mason Community Power back to Eversource for default energy service, payment collections, and utility shut offs under procedures subject to oversight by the NHPUC.

Participants are responsible for requesting any exemption from the collection of any applicable taxes and must provide appropriate documentation of exemptions to Mason Community Power.

D. Contractual and Legal Requirements

1. Methods of Entering into and Terminating Agreements

This Community Power Plan authorizes the Select Board to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Mason Community Power.

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

Mason Community Power will launch only if it is able to offer residential default rates that are initially lower than or competitive with those offered by Eversource. Thereafter, the program will strive to maintain competitive rates while working to achieve the program's goals as set forth in this Community Power Plan and modified as needed at the direction of the Select Board. (See Appendix 3 for more information on rate setting and energy procurement cycles as used by Eversource.)

The Select Board will adopt an Energy Risk Management Policy and Financial Reserve Policy to govern the program's power procurement cost and rate-setting decisions. Rates will be set at a level such that revenues from participating customers are projected to meet or exceed the ongoing operating and capital costs of the program.

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

- **In the near term**, maintain competitive customer 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.

- **Over the long term**, directly fund other program financial requirements or augment the financing for development of new projects and programs in the later years of the program, subject to the Select Board's approval.

As required by law, the program will set rates that ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements in Eversource's distribution franchise territory. In other words, customers will be treated the same based on their circumstances.

Changes to the program's default service rates shall be set and publicly posted in accordance with state rules at least 30 days in advance of any rate change.

After approval of this Community Power Plan and before the launch of Mason Community Power, all electricity customers in the Town of Mason will be sent notifications regarding the program and offered the opportunity to participate:

- **Customers currently on Eversource default service** will be notified, provided the opportunity to decline participation, and thereafter transferred to Mason Community Power if they do not opt-out.
- **Customers already served by Competitive Electric Power Suppliers** will receive notifications describing the program (along with a warning that early termination fees may apply with some supplier) that give them the opportunity to opt into the program.

If the electric distribution utilities have not fully implemented Public Utilities Commission rules and procedures governing Community Power Aggregation service, certain groups of customers on default service provided by the utilities may need to be offered service on an opt-in basis, and/or offered service on an opt-out basis at a future date. For example, if the utilities are unable to reliably provide Mason Community Power with the data on customer-generators necessary to offer Net Energy Metering (NEM) rates and terms, then Mason Community Power may initially choose to not enroll customer-generators on an opt-out basis, as doing so could risk negatively impacting NEM customer billing and crediting procedures.

All notices will be mailed to customers at least 30 days in advance of program launch and provide instructions for customers on how to opt-out or request to opt-in to the program (for example, by return postcard, calling a phone number or using a web portal). All such information and notifications will also be made available on the Town's website section established for the Community Power Program.

Optional products such as increased renewable power content beyond the Renewable Portfolio Standard (RPS) content of the program's default supply product and other energy services, may be offered on an opt-in basis.

After launch, the program will periodically send notices to inform new Eversource default service customers about the default service rates of Eversource and Mason Community Power and will transfer new customers onto Mason Community Power's default service unless they choose to be served by Eversource or a competitive electric power supplier.

Customers who request to opt into the program may do so at the discretion and subject to the terms of Mason Community Power.

Residents, businesses, and other electricity customers may opt out of participating in Mason Community Power default service by submitting a request to transfer back to Eversource default service or to a Competitive Electric Power Supplier of their choosing. Such requests must be submitted with adequate notice in advance of the customer's next regular meter reading by Eversource (in the same manner as if they were on utility-provided default service or as approved by the NHPUC). (Customers requesting a transfer on dates other than their next available regular meter reading date may be charged an off-cycle meter reading and billing charge.)

Customers that have opted into an optional product offered by Mason Community Power may switch back to the Mason Community Power default or to the Eversource default or may take service from a competitive electric power supplier subject to any terms and conditions of the optional product. Such terms and conditions will be disclosed in advance and as part of the service agreement.

3. Ensuring Discounts for Electric Assistance Program Participants

Income-eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. Mason Community Power will 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 (Eversource for Mason).

At present, the NHPUC and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility, Eversource. Mason Community Power consequently will rely on Eversource 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 NHPUC approves rules that enable Community Power programs to provide Electric Assistance Program customers with their discount directly.

4. Net Metering Policies and Group Net Metering Policies

In accordance with RSA 362-A:9, II, Community Power programs may determine the terms and conditions for net metering. To support the development of distributed energy resources within Mason, Mason Community Power will seek to offer net metering terms and conditions -- for standard, alternative, and group net metering. For example, community solar falls under group net metering.

To ensure net metering customers can make a fully informed decision on their participation in Mason Community Power, relevant Mason Community Power education and outreach materials will clearly communicate all differences between the net metering value and operation provided by Mason Community Power and Eversource default service.

Mason Community Power will also evaluate how proposed or implemented changes to the utility metering or billing infrastructure may create new opportunities to enhance net metering benefits. The enabling services and strategies that Mason Community Power may pursue, 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
- 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
- Engaging at the Legislature and NHPUC 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

5. Termination of the Program

There is no planned termination date for Mason Community Power.

Mason Community Power may be terminated by majority approval of those present and voting at Town Meeting. If so terminated, Mason Community Power would cease operations after satisfying any obligations contractually entered into prior to termination, at which point participating customers would either be transferred to default service provided by Eversource or to a Competitive Electric Power Supplier of their choosing.

Mason Community Power will provide at least 90 days advance notice or as otherwise required in administrative rules adopted by the NHPUC regarding the potential or planned termination of the program to participating customers, the NHPUC, and Eversource.

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 Select Board and in accordance with any applicable law and regulation.

E. Public Approval Process and Next Steps

Mason's Energy Aggregation committee developed this Community Power Plan with input from the public and other towns, as required under NH RSA 53-E.

The Mason Energy Aggregation Committee has determined that this plan satisfies applicable statutory requirements and is in the best long-term interest of the Town of Mason and residents, businesses, and other ratepayers. As such:

1. The Mason Energy Aggregation Committee may now submit this Community Power Plan for consideration by the Mason Select Board and, in turn, at Town Meeting.
2. Adoption of this Plan at Town Meeting, by majority approval of those present and voting, will establish Mason Community Power as approved with statutory authorities defined under NH RSA 53-E:3. (Warrant Article vote)
3. Future decisions made by the Select Board regarding how to implement and operate Mason Community Power, including the execution of any agreements, will be made at duly noticed public meetings.

The Town will submit this plan to the NHPUC to ensure compliance with applicable statutes and rules and will submit the plan to Eversource and the NH Office of the Consumer Advocate on the same day. The NHPUC has 60 days to approve or disapprove the plan, under a process that allows for public comment on the plan. If the NHPUC identifies areas where the plan needs to be revised, the Select Board and/or Mason EAC will update the plan and resubmit it for approval to the NHPUC.

Administrative rules governing Community Power from the NHPUC are needed, for example, to authorize the Town of Mason to request access to additional customer data from Eversource that will be required to implement and administer Mason Community Power.

The Mason EAC will decide which provider best fits the town and conduct interviews with the appropriate provider(s). One goal is to assist the Mason EAC with the successful implementation of the above-mentioned steps. The Mason EAC plans to begin the selection process after the citizens of the town approve the warrant article at the town meeting in March 2024. After the Mason EAC selects a provider, a recommendation will be made to the Mason Select Board for approval. After approval and selection, the committee will move forward with the defined steps to implement community power in Mason.

Appendices

Appendix 1: Definition of Terms and Reference Links

Words or terms in **bold** *are defined in this Appendix*

General Energy and Community Power Definitions

Aggregation: The process of selecting a mix of energy sources available on the wholesale electricity market to make available sufficient energy to meet the needs of a group of retail customers. The mix of sources allows for control of availability, renewable energy content and cost. Enabling Legislation 53-E (1996), NH Code of Administrative Rules (2002).

Aggregator: Any person or entity, other than a utility, that aggregates electric load or serves as a **Broker** on behalf of a **Competitive Electric Power Supplier**, an individual customer, a group of customers, or any combination thereof (such as Mason Community Power). An aggregator does not take ownership of the electricity.

All-Requirements Electricity or All-Requirements Electricity Supply Service: Electricity and everything else that is needed to provide it reliably to the customer (such as **Capacity**, ancillary services, transmission services, transmission and distribution losses, congestion management) while also meeting all the regulatory requirements, especially the state's **Renewable Portfolio Standard** (RPS). The RPS is met by either acquiring Renewable Energy Certificates or making Alternative Compliance Payments.

Alternative Compliance Payments (ACP): See **Renewable Energy Fund**.

Broker: Energy brokers are intermediaries between **Competitive Electric Power Suppliers** and their clients. Brokers do not own or distribute energy and they are not allowed to sell energy directly to you. They simply present the rates of a wholesaler, or supplier.

Capacity: The ability to generate electricity and provide Electric Power to the distribution grid. There is market for capacity in New England, in addition to the electric energy market. Capacity costs are part of **All-Requirements Electricity** and are reflected in the electricity supply rates.

Community Choice Aggregator (CCA) aka **Community Power:** Recently allowed in New Hampshire as an alternative to utility-supplied electricity, Community Power allows towns to acquire electricity (with the help of an **Aggregator**) and supply it to their residential and commercial customers. The utility (in our case, Eversource) continues to be responsible for distributing the electricity and maintaining the power lines. Enabling legislation: NH RSA 53-E.

Community Power Coalition of New Hampshire (CPCNH): A nonprofit **Joint Powers Agency** that was formed in 2021 to jointly implement and operate **Community Power** programs. CPCNH membership now comprises approximately 50 towns/cities plus one county.

Competitive Electric Power Supplier (CEPS): An entity that sells or offers to sell **All-Requirements**

Electricity to retail customers, including **Net Meter** customers, using the transmission or distribution facilities of a utility. These entities are one type of **Load Serving Entities (LSEs)** that are market participants in the regional wholesale electricity market administered by **ISO New England**.

Demand: The level of electricity consumption, measured in kilowatts (kW) or megawatts (MW) at any given time (see Load).

Energy Aggregation Committee (EAC): The committee formed by the Mason Select Board to investigate Community Power for the town of Mason.

Electricity Supply Agreement (ESA): Also known as "Electricity Service Agreement", "Electric Supply Agreement", or "Energy Supply Agreement" (all used interchangeably). An ESA is an agreement which commits the energy supplier to provide **All-Requirements Electricity**.

Energy Supplier: Anyone who supplies electricity to customers, such as the actual electricity generators (owners of power generation), **brokers**, **aggregators**, and pools that arrange for the supply of electricity generation to meet retail customer demand, which may be municipal or county entities. *Mason Community Power will be the Energy Supplier listed on your Eversource Bill.*

Grid: The network of the transmission lines, substations, and associated equipment of an electric power system which enables the delivery of electric energy to the customer. The operation of the grid in New England is by ISO-New England. The grid has an additional property, that of **Capacity,** which is the ability to generate and supply power to the grid. There are markets for both Energy and Capacity. In addition, utilities (like Eversource) and **LSEs** must acquire sufficient **Renewable Energy** to meet the **Renewable Portfolio Standard** (RPS) with **Renewable Energy Certificates** (REC) or pay into the **Renewable Energy Fund (RPS)**.

Group Net Metering: Provides the ability of a net-metered "host" to share the proceeds of the self-generated power with non-net metered customers (a "group"), if they all belong to the same utility. A group can be a single person, multiple customers, or even a low to moderate income community solar project.

ISO New England: An independent, not-for-profit company authorized by the Federal Energy Regulatory Commission (FERC) ensuring the constant availability of competitively priced wholesale electricity by managing the transmission lines in Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, and most of Maine. *Aggregators go to the wholesale market overseen by ISO New England to buy the mix of energy they need for their clients.*

Joint Powers Agency: A new governmental body created when separate governmental agencies (such as towns, counties, school districts, water districts, etc.) contract with each other for the purpose of joint cooperative action. NH Rev Stat § 53-A:3 - Joint Exercise of Power. *The Community Power Coalition of New Hampshire (CPCNH) is a Joint Powers Agency formed for the purpose of providing community power service to its members.*

Load: Electrical "Load" is defined as the level of electric power required from the distribution **grid**, as measured in kilowatts (kW) or megawatts (MW), to be used by end customers.

Load Serving Entities (LSEs): Organizations that directly supply retail customers with electricity. Most LSEs in New Hampshire are **Competitive Electric Power Suppliers** (CEPS). LSEs typically are responsible not only for procuring **All-Requirements Electricity** for their retail customers, but also the **Capacity** necessary to guarantee a reliable electricity supply.

Net Energy Metering (NEM): Net Energy Metering is a program using a special bi-directional **Net Meter** that measures how much energy produced by your electric generating equipment (solar, wind, hydro) is sent back onto the grid and how much electricity is pulled from the grid for your use. The NEM rate schedule (tariff) determines how much you are paid for the electricity you sold to the grid. PV systems installed after 2017 have different, less generous, compensation (NEM 2) from those installed before 2017 (NEM 1).

Net Energy Metering, Standard (NEM 1.0): A rate schedule for owners of solar arrays (or other renewable energy sources) that compensates the customer for excess energy that is sent back to the grid. NEM 1.0 is for installations brought online before September 1, 2017, and sets the rate to include the full retail value of the energy, distribution, transmission, system benefit charge and stranded cost charge. Excess kWh could be banked (in summer when production is higher) and used later to offset usage when production is lower (winter).

Net Energy Metering, Alternative (NEM 2.0): A rate schedule for owners of solar arrays (or other renewable energy sources) that compensates the customer for excess energy that is sent back to the grid. NEM 2.0 is for installations brought online on September 1, 2017, or later and sets the rate to include the full retail value of the energy and transmission charges, 25% of distribution and 0% of system benefit charge and stranded cost charge. Excess production is not banked for later use but is converted to monetary credit that can be carried forward.

Net meter, bi-directional: Used in conjunction with a solar array (or other renewable energy system), a net meter is an advanced electric meter capable of measuring electricity flowing both from the grid and excess energy production back to the grid. It is used to record how much electricity has been "purchased" from the grid as well as the customer's "sales" of renewable electricity to the utility. Older bi-directional meters had wheels that would "spin backwards" (to the left) when the PV panels were producing excess energy. Modern electronic meters have replaced the mechanical wheel with a simulated animation, and some models may also be capable of recording values and the time of day, making possible enhanced time-of-use rate schedules.

New England Power Pool Generation Information System (NEPOOL GIS): Issues and tracks **Renewable Energy Certificates (RECs)** for all MWh of generation and consumption of renewable energy in the ISO New England control area, as well as imported MWh from adjacent control areas. *There were over 22 million RECs issued by NEPOOL GIS in 2021.*

Public Utility Commission (PUC): Public Utility Commissions are governmental bodies created to regulate the rates, quality of service, finance, accounting, and safety provided by utilities that provide electricity, natural gas, water, and sewer. The PUC sets the rules under which utilities operate. "NHPUC's mission is to ensure that customers of regulated utilities receive safe, adequate and reliable service at just and reasonable rates."

Renewable energy: Energy that is created from an energy source that is renewed through a natural process. Solar (both photovoltaic and solar-thermal), wind (terrestrial and off-shore), hydropower, geothermal, and biomass (including renewable natural gas) are considered renewable. Coal, petroleum, natural gas, and nuclear are considered non-renewable energy sources.

Renewable Energy Fund: "Electric service providers who cannot obtain sufficient quantities of RECs for a given compliance year are required to make Alternative Compliance Payments, or ACPs. ACPs provide the funding for the Renewable Energy Fund, the purpose of which is to support thermal and electrical renewable energy initiatives." The Renewable Energy Fund, administered by the NHPUC, distributes funds through rebate programs or competitive grant solicitations for a variety of residential, commercial, industrial, or community solar projects. See info at NHPUC and the 2021 REF Annual Report.

Renewable Portfolio Standard (RPS): Utilities are required to provide electricity (in a "portfolio" of renewable and non-renewable sources) with a minimum percentage of Renewable Energy. Since 2008, the RPS has risen from 4% renewable to 22.5% in 2022. The maximum required percentage of renewable energy will be reached in 2025 (and beyond) at 25.2%. RSA 362-F , NHPUC-RPS info.

Renewable Energy Certificate (REC): To meet the **Renewable Portfolio Standard**, utilities must acquire Renewable Energy Certificates representing the amount of energy supplied to their customers (one Certificate = 1 MWh). Residential solar arrays also can generate RECs if the owner registers the system with NEPOOL GIS. Unregistered private energy production can be "claimed" by utilities without compensation, which lowers the value of all RECs. *RECs are issued to the generators when they add electricity to the grid, and then transferred to utilities or aggregators when they draw it for distribution to their customers.*

REC meter: An electric meter that is placed to measure the output of a solar array or other renewable energy generation source and is installed in a manner compliant with utility requirements.

Appendix 2: Legislative Background and Local Control Authorities

Electric Utility Restructuring Act: RSA 374-F

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:

- *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.

- *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.*
- *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.*

The Community Power Act: SB 286 and RSA 53-E

To support the growth of competitive market services in alignment with The Electric Utility Restructuring Act, Senate Bill 286 and RSA 53-E have authorized 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; demand side management; conservation; meter reading; customer service; 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:3-a 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.

Lastly, and 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."

Community Power program "*shall not be required to own any utility property or equipment to provide electric power and energy services to its customers*." 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."*

Amendments to RSA 53-E by HB 315 in 2021

HB 315, which modifies RSA 53-E in several ways, was passed by both houses of the General Court, then signed into law by the Governor. It became fully effective October 25, 2021.

New Hampshire's Electric Renewable Portfolio Standard (RPS) statute, RSA 362-F

RSA 362-F established the renewable energy policy for NH. It requires each electricity provider, including Eversource and Mason 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.

The classes of renewable certificates under the RPS are:

- Class I non-thermal electricity, from generators that came online after January 1, 2006: wind, excess solar beyond what is used to satisfy Class II requirements, 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 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.
- Class II: solar generation that came online after January 1, 2006
- Class III: biomass & methane that came online before January 1, 2006
- Class IV: small hydroelectric that came online before January 1, 2006

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%

Electricity suppliers must obtain RECs for each of the four classes of renewables as a set percentage of their retail electric load, which increases on an annual basis (until plateauing after 2025, unless the RPS is raised in future).

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 2021)
UNH Sustainable Institute Study: New Hampshire RPS Retrospective 2007 to 2015

Net Energy Metering: RSA 362-A

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."

Appendix 3: Utility Default Procurement Cycles and Rate Setting

Mason Community Power has a goal of maintaining lower rates compared to Eversource, while also offering voluntary products that retail customers may opt- in to receive.
The timing of the program's rate setting decisions and the procurement of electricity will need to consider when Eversource conducts these same activities (particularly for the program's default electricity product).

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

Eversource 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 six-month period for small customers and vary by month for large customers.

Supplier bids are priced in dollars per megawatt-hour ($/MWh) monthly and generally exclude Renewable Portfolio Standard (RPS) compliance obligations called Renewable Energy Certificates (RECs). Distribution utilities typically procure most or all their supply of RECs through competitive solicitations held separately from the auctions for default electricity service.

Appendix 4: Recommendations for Possible Net Metering with Mason Community Power

Benefits of participating in Mason Community Power may accrue due to our electricity supply prices being significantly lower than the current utility default prices, which offset potential losses from net metering as explained below. For most net metering customers, the net benefit (or cost) of program enrollment will be small to start and accumulate slowly. Customer goals may include cost savings as well as support for the program goals, and each customer should make their own informed decision.

1. **All net metering customers** that enroll in Mason Community Power will keep their current bank of kWh credits or dollars. Going forward, all earned kWh credits or dollars will be applied to reduce the cost of future bills, just like today.

2. NEM 1 customers (*systems built before 2017 and receiving full kWh credits on their electric bills*) that enroll in Mason Community Power will continue to receive full kWh credit for their excess production. Credits for NEM 1 customers accumulate normally, they are unaffected by program participation.

- Enrolled customers that *sell more electricity than they purchase* will accumulate kWh credits as normal.

● Enrolled customers that *purchase more electricity than they sell* may benefit from a Mason supply price that is lower than the utility default price. These customers can also elect to choose a higher renewable energy option for their purchases.

Recommendation for NEM 1 customers: proceed to enroll in Mason Community Power.

3. **NEM 2 customers** (*systems built after 2017 and receiving monetary credit on their electric bills*) that enroll in Mason Community Power will receive less monetary credit than they do today, they will only receive the Transmission & Distribution value and not Supply value. Lower Mason program supply prices may or may not offset this loss of benefit, creating a **slight to significant loss of monthly value** that would grow over time.

   a. NEM 2 customers enrolled in the program that *sell more electricity than they purchase* will lose the value of the supply portion of their monetary credit. The effect will be larger for larger systems with greater excess production and will grow over time.

Recommendation for NEM 2 customers (*where sales exceed purchases*): opt out of Mason Community Power before Mason's Community Power Program begins to avoid possibly losing money.

   b. NEM 2 customers that *purchase more electricity than they sell* may or may not benefit from program participation. Customers that generally purchase more electricity than they sell in the summer months are the most likely to benefit from enrollment upon program launch, due to significantly lower Mason program supply prices compared to the current utility default price. These customers should carefully evaluate their goals for participating but could consider more analysis or enrolling and reevaluating after the first billing period.

Recommendation for NEM 2 customers (*where purchases exceed sales*): more evaluation, enroll and reassess following the first billing period, or opt out, depending on goals.

4. Customers whose systems are not yet installed in 2024 will benefit from program enrollment due to significantly lower program supply prices, about 25% monthly bill reduction for default service customers. Note that participation in Mason's program should at least continue until the new system is interconnected with the utility, which may be days or weeks later than the scheduled installation date.

Recommendation for customers waiting for their 2024 solar installations: proceed to enroll in Mason Community Power.

5. Net metering customers that meet Eversource's minimum threshold to receive a cash-out check may want to request their cash-out before joining Mason's program. Once enrolled, and while participating in Mason Community Power, customers will not have access to a cash-out payment from Eversource. Customers eligible for a cash-out check could request it in the future if they opt-out of Mason's program to return to Eversource Default Service and meet any other Eversource requirements for cash-out.

Recommendation for customers eligible for a cash payout: consider requesting a cash-out prior to enrollment in Mason Community Power.