

FOR COMMUNITIES, BY COMMUNITIES.

Coalition Overview

Q1 2023



**COMMUNITY
POWER COALITION**
OF NEW HAMPSHIRE



Agenda

- 1 | Overview of the Coalition & Power Agency Team
- 2 | Coalition Technical Assessment & Financial Forecast
- 3 | Wave 1 Launch Process & Enabling Agreements
- 4 | Reference Documents

What is Community Power?

New Hampshire cities, towns, and counties can become **default electricity provider** for their residents + businesses and provide related services:



Economies of Scale

Communities manage an
Energy Supply Portfolio

Grid Reliability

Utility Company
Delivers Power

Lower Rates & Product Choices

Communities benefit from
New Services & Programs



Overview of the Coalition & Power Agency Team



**COMMUNITY
POWER COALITION
OF NEW HAMPSHIRE**
For communities, by communities.

Coalition: “for Communities, by Communities”

BOARD OF DIRECTORS

1. Chair Clifton Below, City of **Lebanon** (alternate Greg Ames)
2. Vice Chair Kevin Charette, City of **Portsmouth** (alt. Peter Rice)
3. Treasurer Kimberly Quirk, Town of **Enfield** (alt. Jo-Ellen Courtney)
4. Secretary Evan Oxenham, Town of **Plainfield** (alt. Steve Ladd)
5. Director William Chaisson, Town of **Wilmot**
6. Director Michael Prange, Town of **Shelburne** (alt. Ray Danforth)
7. Director Rick Labrecque, Town of **Brentwood** (alt. Tom Palma)
8. Director Andrea Hodson, Town of **Harrisville** (alt. Andrew Maneval)
9. Director Mandy Merrill, Town of **Durham** (alt. Nat Balch)
10. Director Paul Looney, Town of **Walpole** (alt. Dennis Marcom)
11. Director Jim Callihan, Town of **Hancock** (alt. Robbie Hertneky)
12. Director Doria Brown, City of **Nashua** (alt. Deb Chisholm)
13. Director April Salas, Town of **Hanover** (alt. Peter Kulbacki)
14. Director Nick Devonshire, Town of **Exeter** (alt. Julie Gilman)
15. Director Jordan Applewhite, Town of **Sugar Hill** (alt. Margo Connors)
16. Director Christopher Parker, City of **Dover** (alt. Jackson Kaspari)
17. Director Kent Ruesswick, Town of **Canterbury** (alt. Howard Moffett)
18. Director Toni Weinstein, Town of **Newmarket** (alt. Steve Fournier)
19. Director Craig Putnam, Town of **Hudson** (alt. Kate Messner)
20. Director Marty Bender, Town of **Webster** (alt. David Hemenway)
21. Director Clyde Carson, Town of **Warner** (alt. George Packard)
22. Director Steve Walker, Town of **Peterborough** (alt. Danica Melone)
23. Director Terry Clark, County of **Cheshire** (alt. Chris Coates)
24. Director Jamie Hess, Town of **New London** (alt. Tim Paradis)
25. Director Matt Miller, Town of **Pembroke** (alt. Jackie Wengenroth)
26. Director Mark Terry, Town of **Westmoreland** (alt John Snowdon)
27. Director Lisa Sweet, Town of **Rye** (alt. Howard Kalet)

COMMITTEES

Executive	Finance	Risk Management
CEO & Staff Search	Regulatory & Legislative Affairs	Member Operations & Engagement

(Audit & Governance Committees under formation)

OFFICERS & COMMITTEE CHAIRS



[Clifton Below](#)
Chair

City of Lebanon
Assistant Mayor & City Councillor



[Kim Quirk](#)
Treasurer

Town of Enfield
Energy Committee



[Kevin Charette](#)
Vice Chair

City of Portsmouth
Energy Committee



[Evan Oxenham](#)
Secretary

Town of Plainfield
Energy Committee



[Matt Miller](#)
Chair, Risk Management

Town of Pembroke
Energy Committee



[Lisa Sweet](#)
Chair, Member Operations

Town of Rye
Energy Committee



[Mandy Merrill](#)
Chair, Regulatory & Legislative Affairs

Town of Durham
Energy Committee



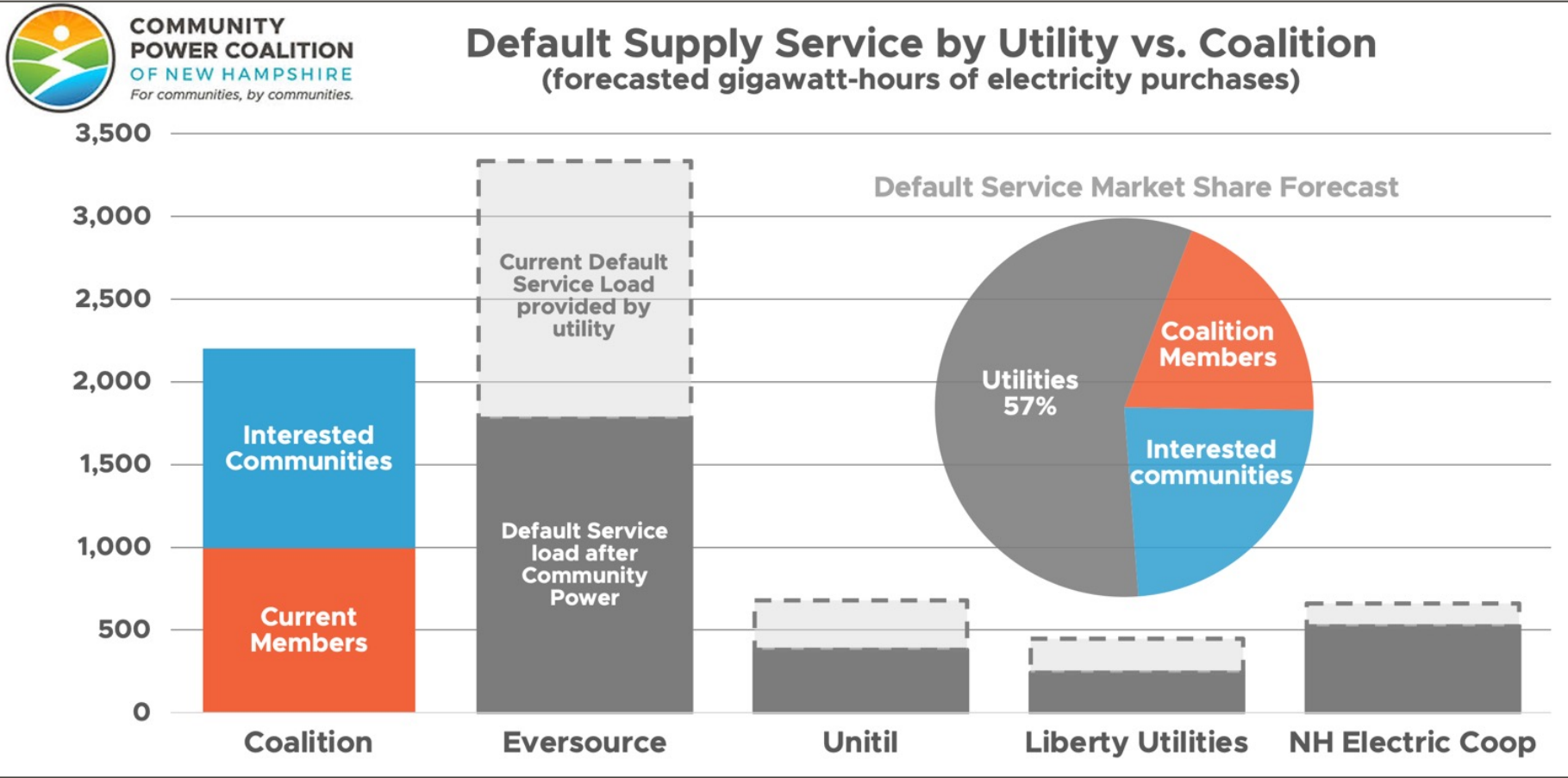
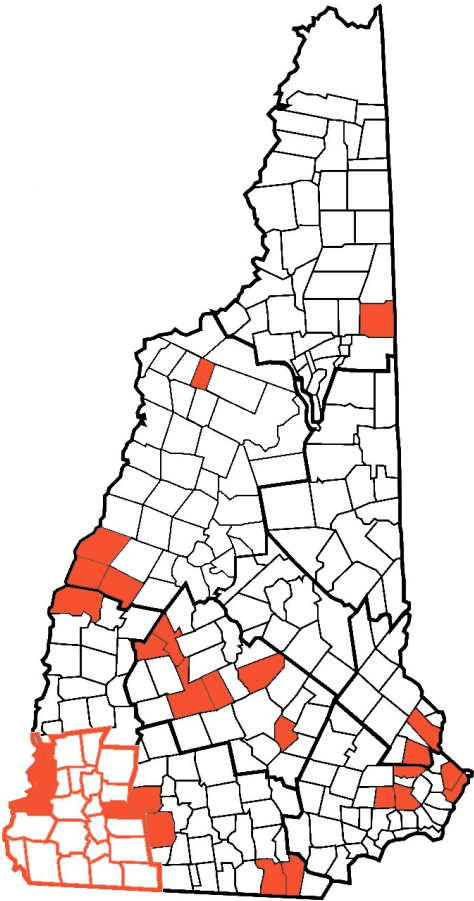
[April Salas](#)
Chair of CEO & Staff Search

Town of Hanover
Sustainability Director

Rapid Membership Growth

Membership has doubled over the past year, to **27 members**, and **45+** are interested in joining.

Current Members



The Coalition is poised to become the largest default Load Serving Entity in New Hampshire!

Streamlined CPA Program Implementation

Step-by-step plans, custom logos & websites, FAQs & community outreach materials (etc.)



(more under formation)

Org Chart

Citizens of New Hampshire

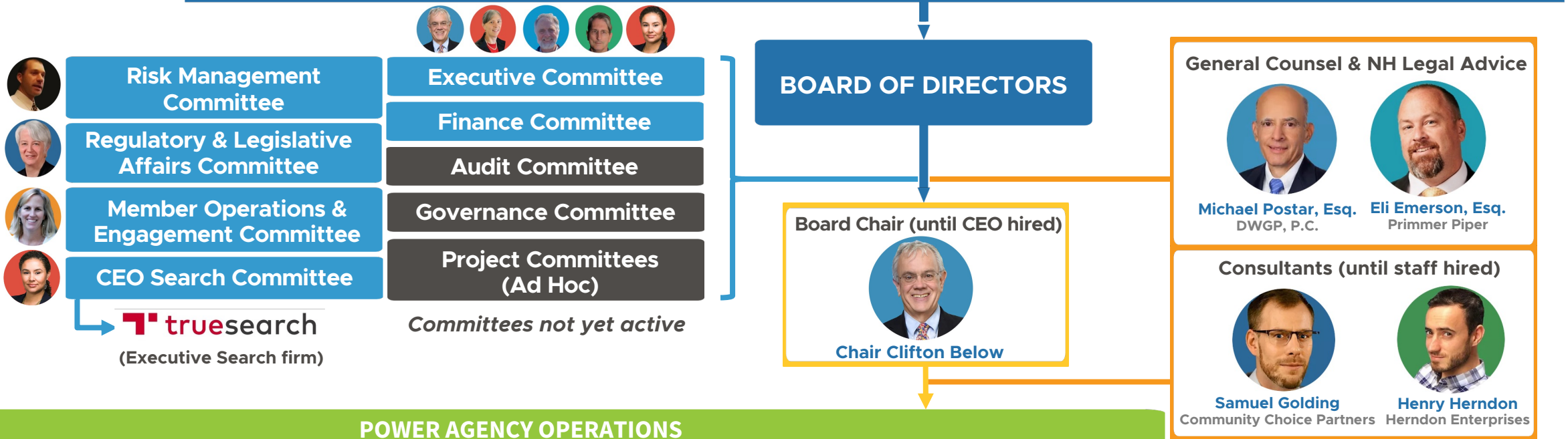


- Plainfield Community Power
- Peterborough Community Power
- Hanover Community Power
- Cheshire Community Power
- Exeter Community Power
- Harrisville Community Power
- Walpole Community Power
- Durham Community Power
- Rye Community Power
- Lebanon Community Power
- Nashua Community Power
- Enfield Community Power

Wave 1 Members

Wave 2 Members

Brentwood, Canterbury, Dover, Hancock, Hudson, New London, Newmarket, Pembroke, Portsmouth, Shelburne, Sugar Hill, Webster, Warner, Westmoreland & Wilmot



POWER AGENCY OPERATIONS

- Revenue Custodian:** RiverCityBank
- Load Serving Entity | Retail Customer Services:** CALPINE ENERGY SOLUTIONS
- Supply Portfolio Risk Management:** Ascend Analytics
- Community & Media Support:** CLEAN ENERGY NH (Your Voice in All Energy Matters)

Operated by Expert Contractors

Months of competitive solicitations assembled a team of industry-leading **advisors** and professional service providers experienced in launching CPAs to **operate our power agency** and **provide support services**:

CEO Search Services:  true search

Energy Hedging, Planning & Portfolio Risk Management



ISO-NE Market Participant + Retail Customer Services

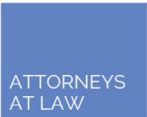


Member Services & Public Engagement



CLEAN ENERGY NH
Your Voice in All Energy Matters

General Counsel & Legal Services



PRIMMER PIPER
EGGLESTON
& CRAMER PC

Start-up Consultants



HERNDON
ENTERPRISES

Revenue Controls & Accounting Services



River City Bank

(Coalition in process of enlisting accounting services)

Wholesale & Retail Services Team



Industry leader: launched 20+ CPA Joint Power Agencies (like Coalition) & serves 4+ million customers

4M+

meters

AS OF JUNE 2022

- 100+ CCA-dedicated employees
- 200+ Call center service languages
- 200K+ Customer calls fielded annually
- 175K+ Daily usage data files received
- 750+ Rate change tests and validations performed
- 6,500+ Individual rate components managed daily
- 50+ Statutory enrollments across over 20 CCAs
- 10M+ Monthly EDI transactions



Drake Welch
SVP of Community Power



Paula White
VP Operations



Marcus Dotson
VP Retail Commodity



Paul Soco
Launch Manager



Joshua Brock
VP Commercial Operations



Sam Schmidt
VP Applications



Matthew Messina
Director of CCA Client Services



Matthew Leja
Manager of Systems Support



Santiago Chuck
Director of Products and Services

Calpine's team includes significant call center agent capacity and an additional ~20 support staff to manage CPCNH data and billing operations.

Wholesale & Retail Services



Calpine will serve as Load Serving Entity & enable advanced rates / services for CPA customers

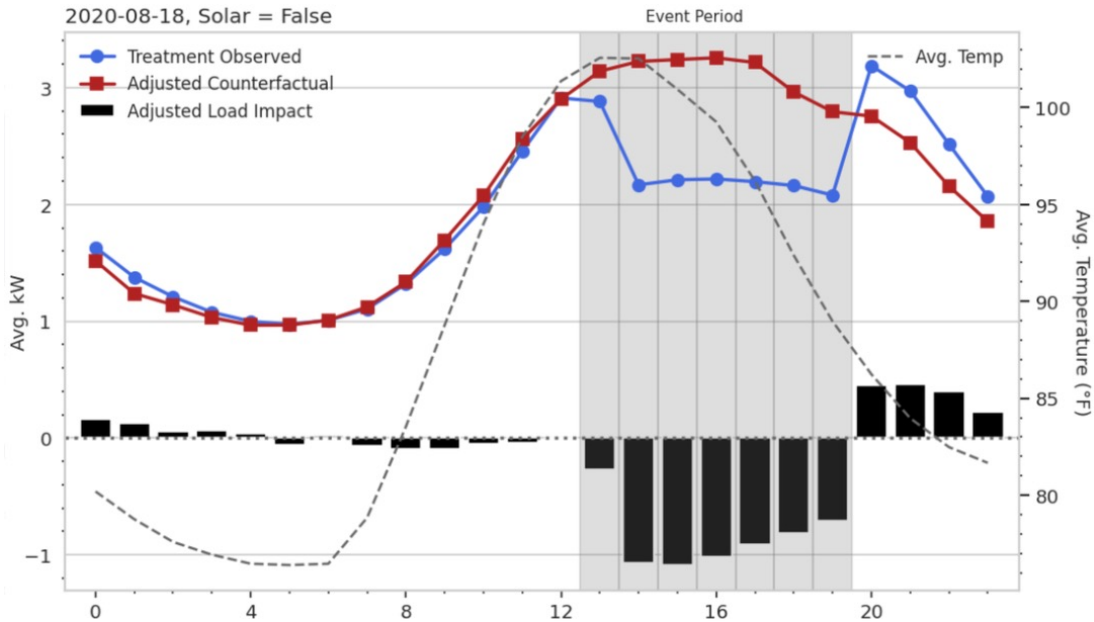
- ⚡ **Load Serving Entity (LSE) & Market Participant services** for ISO-NE wholesale market participation + credit support (for ISO-NE collateral and twice-weekly market invoices)
- ⚡ **Retail Customer Services:** customer notices, utility data management, billing & call center services + advanced rate structures:
 - Time of Use Rates
 - Market-based pricing (market pass-through, hourly / monthly caps, floors, collars, & real-time pricing)
 - Group and individual Net Energy Metering (NEM)
 - On-bill product options for customers
- ⚡ **Value-added services:**
 - NEM Independent Monitor (customer-generated RECs)
 - Digital Customer Portal options
 - Technical support for strategic regulatory initiatives
 - Performance-Based Residential EE & Electrification Programs
- ⚡ **Financial Support:** \$750k in startup funding + donating 2% of fees / year to local nonprofits + \$250k credit for software-driven Distributed Energy procurement (Recurve platform; next slide)
- ⚡ **Data access platform & local program / project software tools (next slide)**

Value-Added Data Services

Calpine will help enable Coalition in-house data capabilities & analytics for local programs

Data-driven software to procure Distributed Energy (Recurve Platform)

Values actual \$ impact of efficiency, demand response, & distributed generation based on weather-adjusted usage. Used by CPAs to target, plan, and create "virtual power plants" out of customer resources to lower wholesale risk.



Unparalleled Transparency & Access to CPA Data

- ⚡ Direct access to CPA data managed by Calpine
- ⚡ Log-ins for Coalition staff to use Customer Relationship Management software
- ⚡ Integration of CPA data → Coalition data warehouse



Energy Risk Management Team



Industry leader in “software for the energy transition”

Experts in power portfolio risk management: market simulation, hedging & project solicitations

Extensive client list: N. America’s more advanced Community Power Agencies, utilities, financial traders, and RE + storage project developers

Services include:

1. Hosted software platform:

- SmartBidder (wholesale market bidding)
- PowerSIMM Portfolio Manager (hedging)
- PowerSIMM Planner (projects)
- ISO-NE Market Intelligence (0-30-year forecasts)

2. Risk Management services: committee support, market & counterparty monitoring, portfolio reporting & analysis, short-to-long-term planning, hedging & rate setting, enterprise risk management advice & local project solicitations, etc.

3. Credit support to launch CPAs (\$8.5M)



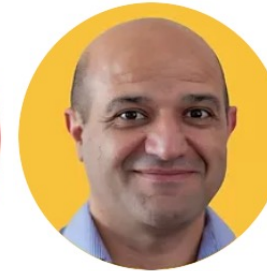
Dr. Gary Dorris
President of Ascend Analytics



Scott Wrigglesworth
VP Operations & Strategy



Dr. Allison Weis
VP Optimization



Dr. Carlos Blanco
Managing Director of Analytics Solutions



Justin Brickhouse
Director of Storage & RE Operations



Dr. Brent Nelson
Director of Market Intelligence



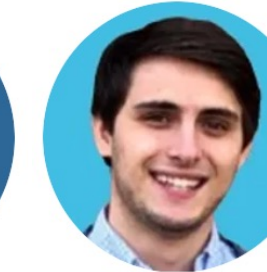
Dr. Brandon Mauch
Manager of Resource Planning Analytics



Michael Ballow
Director of Analytics and Strategy



Rishi Sahay, CFA
Director of Portfolio Analytics



Robert LaFaso
ISO Monitoring & Compliance Analyst

+ ~30 analysts support procurement and portfolio risk management

Energy Portfolio Risk Management Services

Provides "Software and Services" working with our Board & Risk Management Committee

Fees decrease if the Coalition hires staff to assume risk management responsibilities



Optional transition to staff

Ascend's fees decrease if Coalition hires Staff to assume responsibilities:

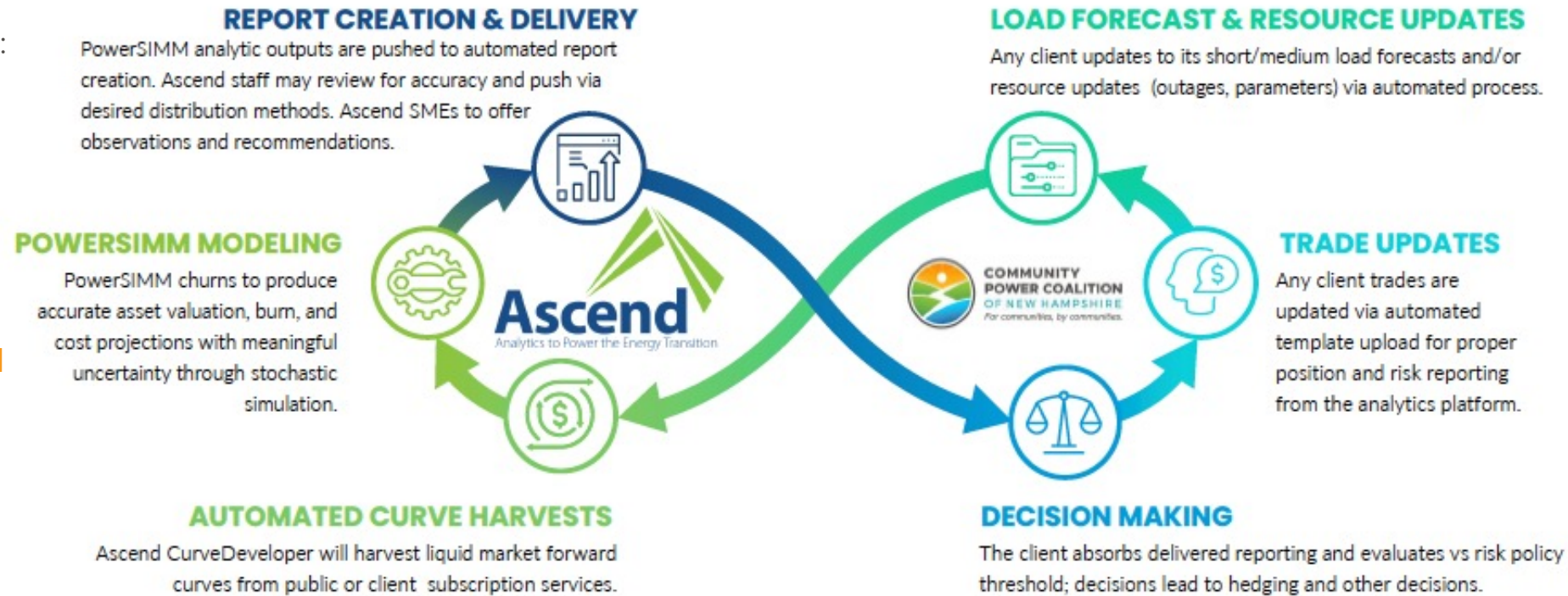
Year 1 100% Ascend team

Year 2 up to 50% Coalition

Year 3 up to 70% transition to Coalition staff experts

Ascend will help train staff **to build in-house capacity & self-reliance**

Continuous Monitoring & Optimization of Portfolio



Energy Modeling, Hedging & Project Contracts

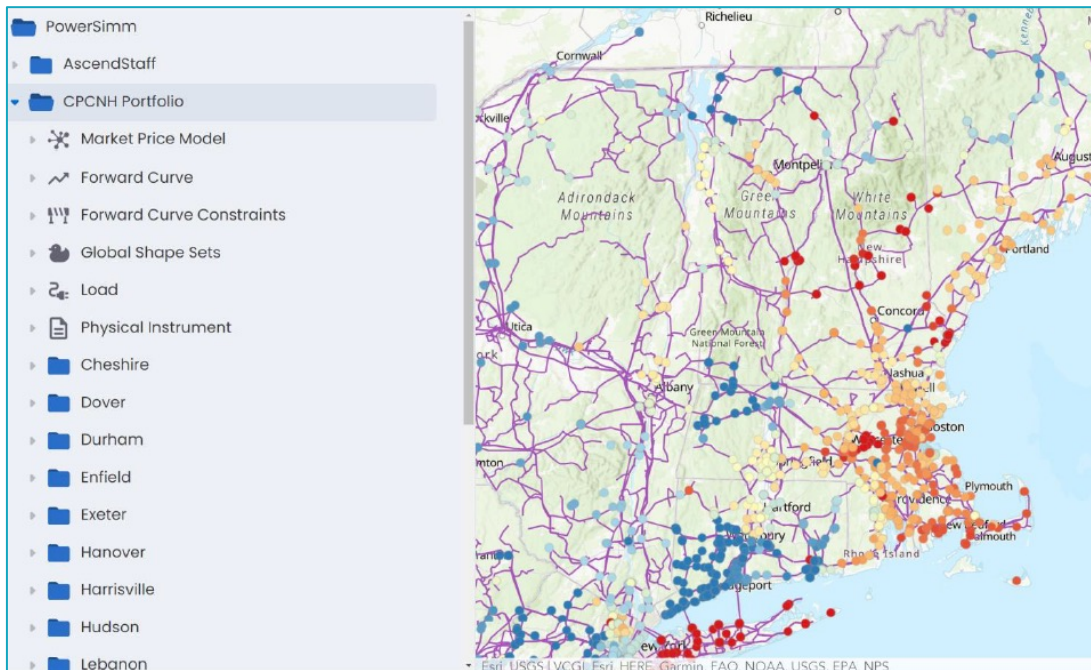
Better understanding risk exposures → better risk management decision-making

Ascend has evaluated 500+ project offers since 2018 (2,500+ MW of RE+storage deals)



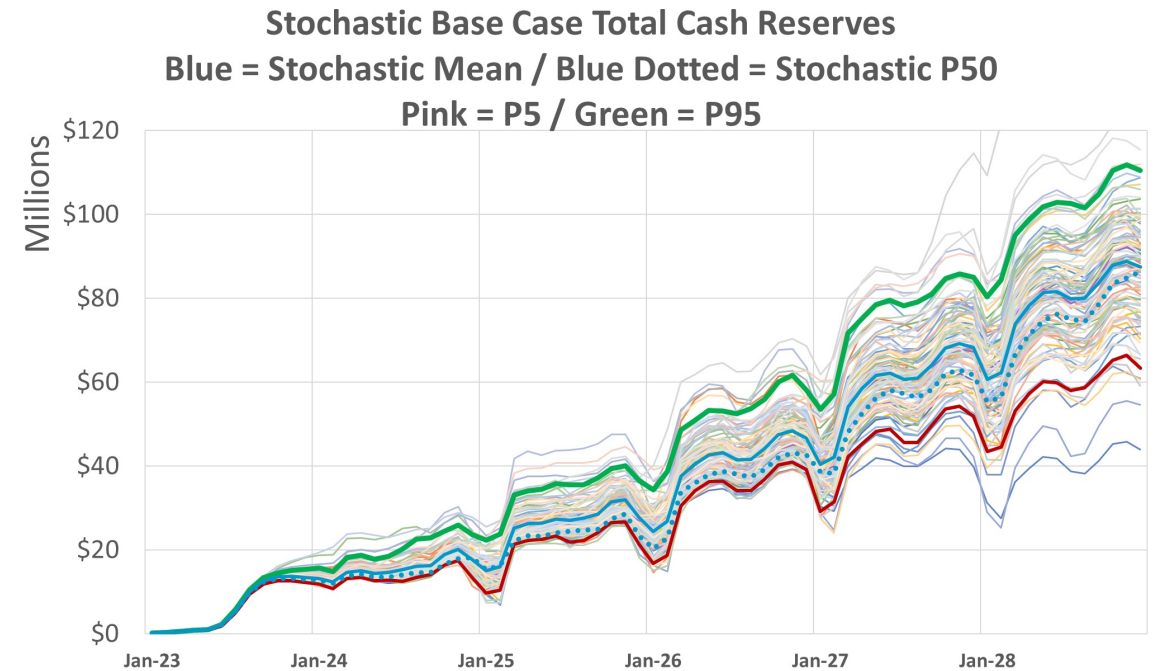
PowerSIMM Portfolio Manager Interface

Actual view of “the Market”



PowerSIMM Portfolio Manager Outputs

CPA Reserves x 100 simulation runs



Models capture physical topology + bidding dynamics of ISO-NE + 100s of probabilistic future scenarios

Technical Assessment & Financial Forecast

- Base Case Economics (across 100 simulations)
- Scenarios & Stress-Tests
- Local Project Development Economics
- Rate & Headroom (margin) Forecast
- Breakout: Wave 1 CPA Benefits



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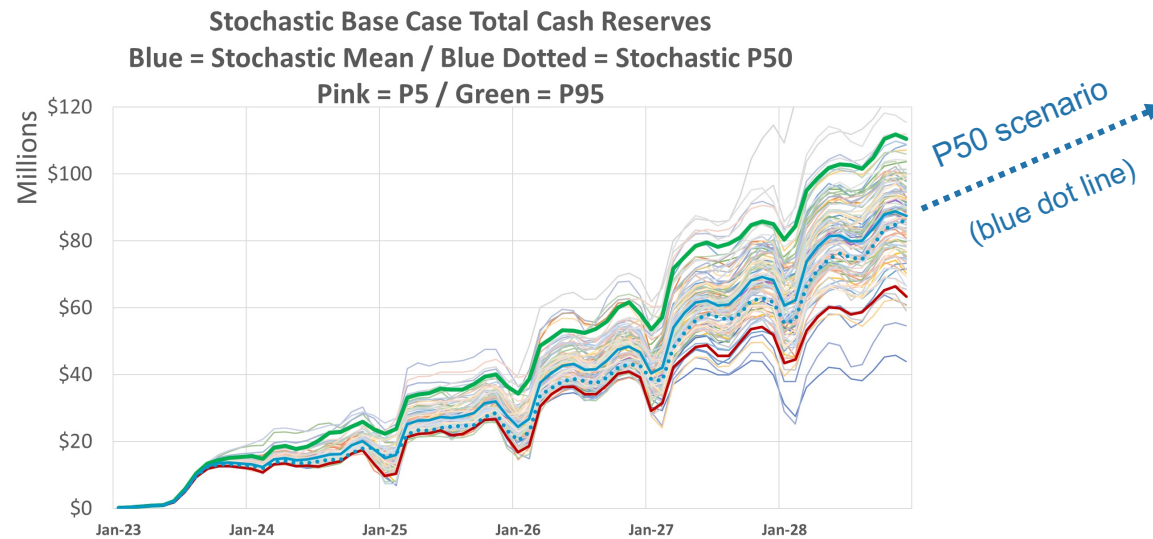
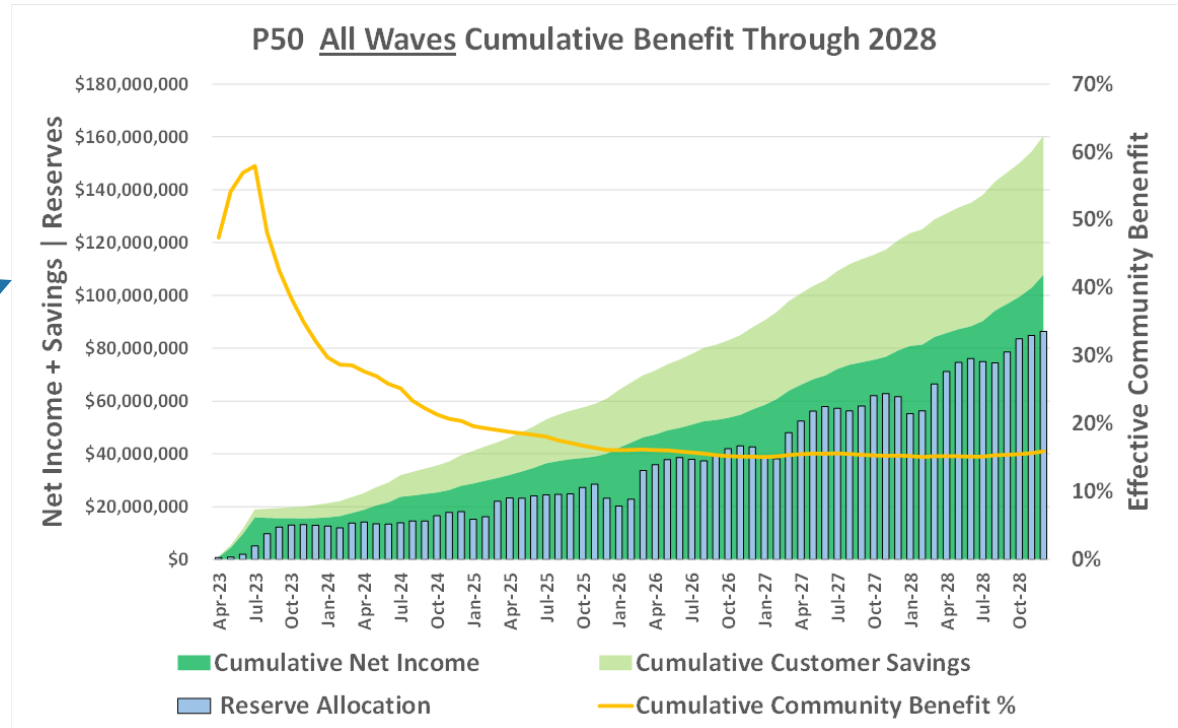
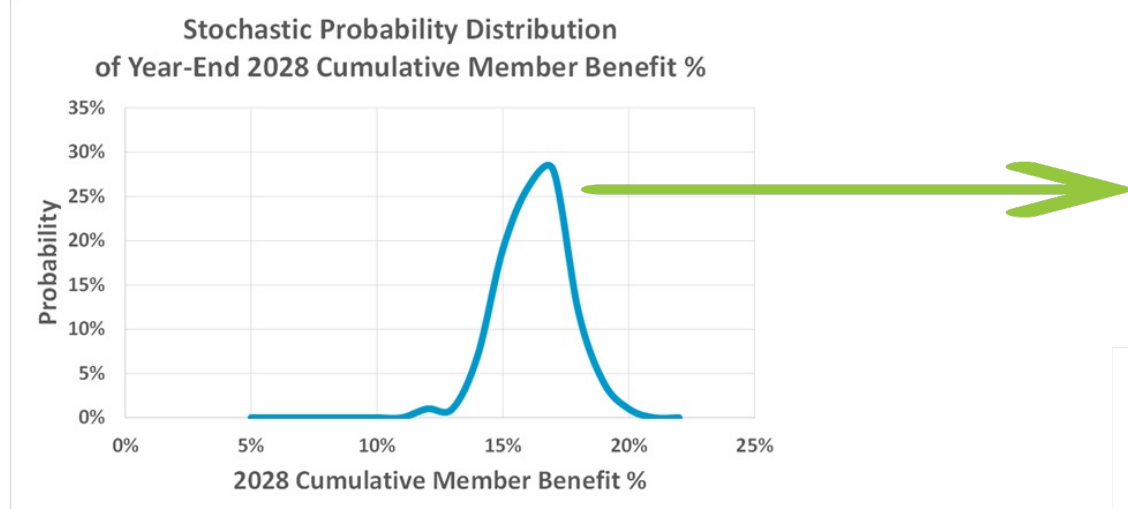
'Base Case' Forecast Results

Coalition is financially competitive: ~16% less cost than utility default x 100+ future price scenarios

100+ power simulations yield probability forecasts:

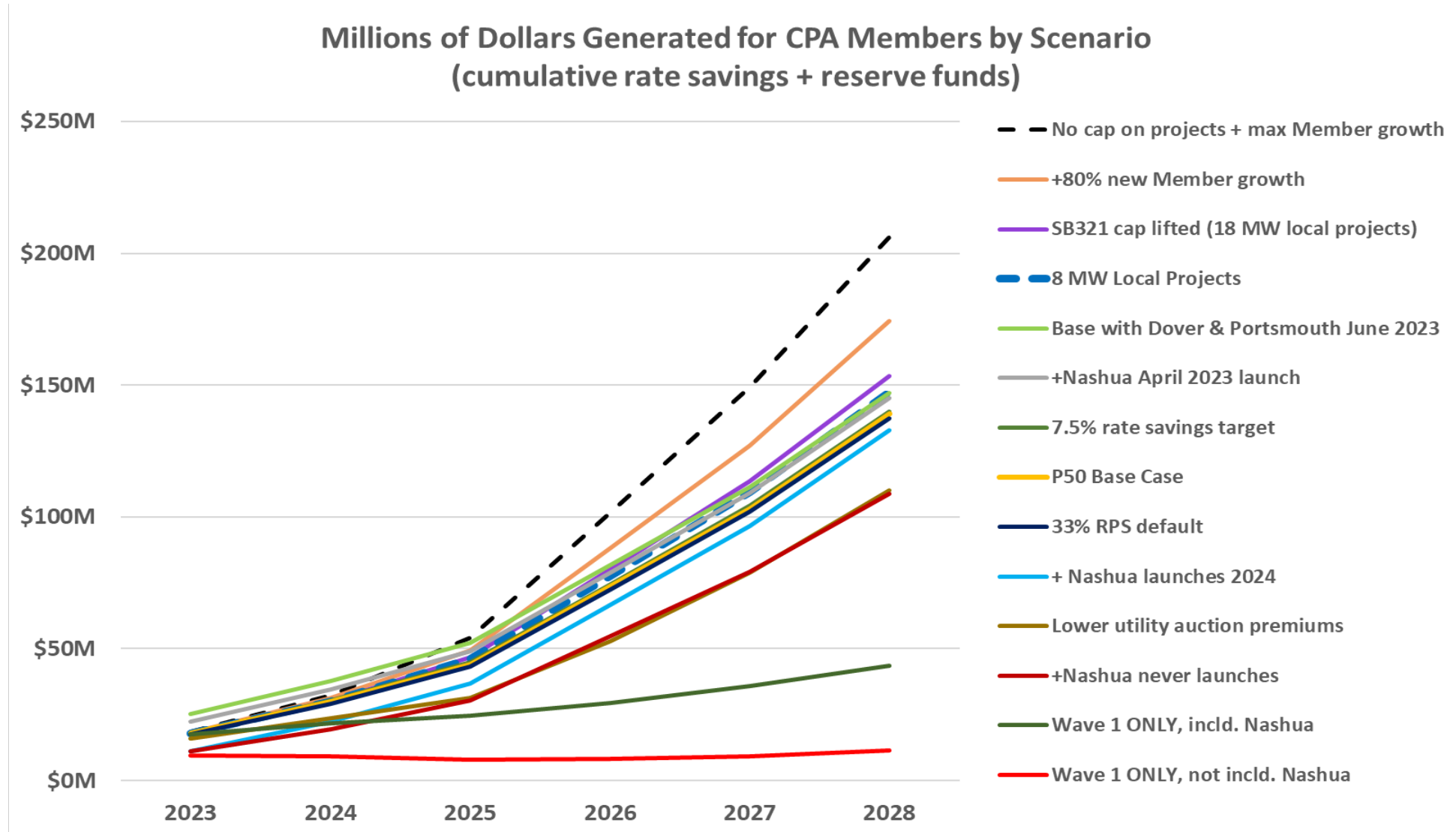
Median (P50) expected outcome by 2028:

- ⚡ ~\$60MM in customer savings
- ⚡ ~\$85MM+ in financial reserves
- ⚡ **Net benefit = average 16%+ lower cost than utility (forecast range between >13.5% up to <20%)**
- ⚡ 2028: achieves A investment-grade credit rating



Scenario & Stress-Test Results

Dozen+ scenarios simulated to assess launch conditions & range of financial performance



Local Project Opportunity

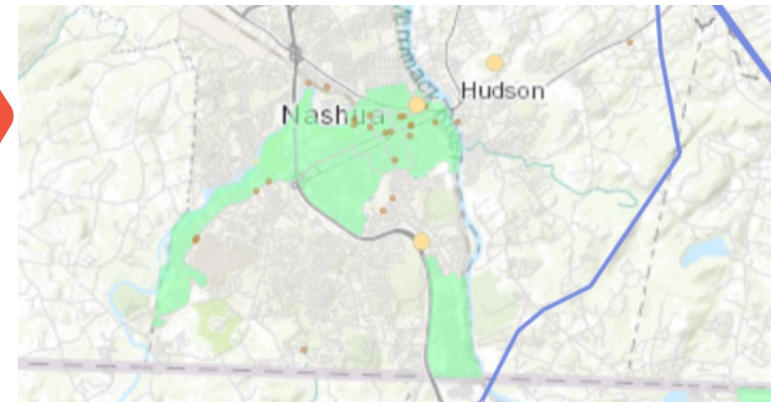
The Coalition can build new local projects for 30%+ less cost than purchasing market power

- ⚡ Reserves enable Coalition to execute long-term contracts (w/ CPA approval) to build local projects
- ⚡ **Senate Bill 321 pilots:** local clean projects < 5MW credited as 'load reducer' for CPAs
 - **Local generation lowers wholesale energy + transmission + capacity charges**
 - **Worth > \$200/MWh (on average)**
- ⚡ Inflation Reduction Act of 2022: direct pay or tax credit incentives = **up to 50% of cost offset**
 - 30% baseline incentive
 - **+10% bonus for brownfield**
 - **+10% bonus for low-income <5 MW**
 - **PLUS: <5MW installed in low-income zones can include interconnection costs**
- ⚡ **Ascend's scope includes local project solicitations, valuation, and contracting support**

Community Projects generate \$millions / year extra (strong competitive advantage)



Nashua zones additional tax credits under IRA



Low Income (green shading) + Brownfield Sites (brown dots)

CPA Rates & Headroom Forecast

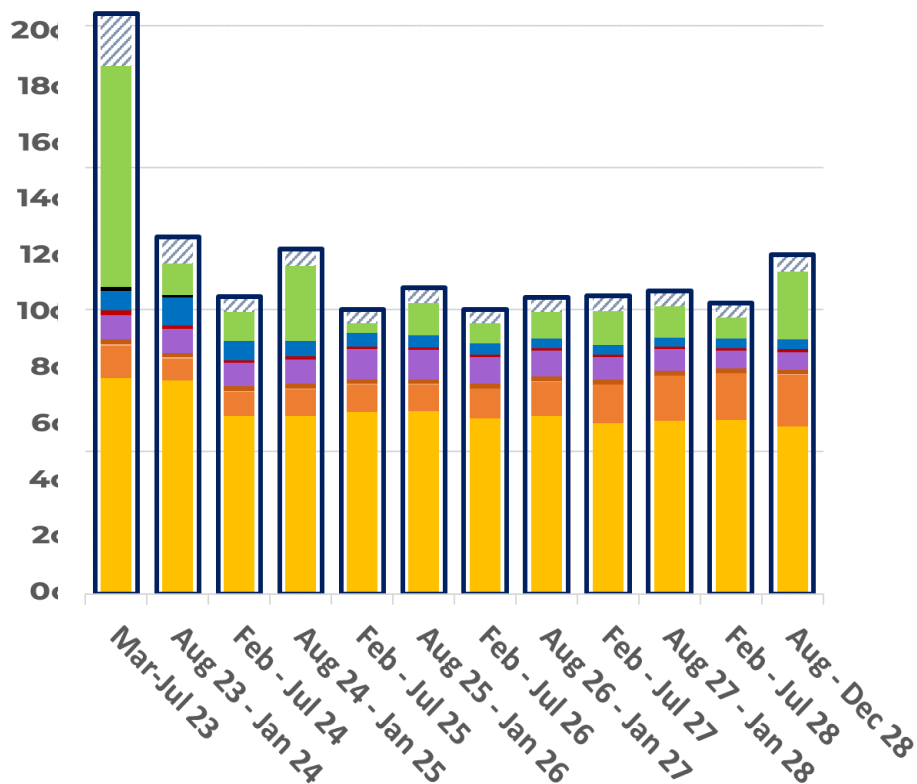
Base rates are uniform across CPAs in each utility territory & change w/ utilities to maintain discount

Deferred implementation costs = 0.01% of revenues (forecast 0.019¢/ kWh repaid for 5 years)

Steady-state cost of operating our own power agency = 4% of revenues (competitive business model)

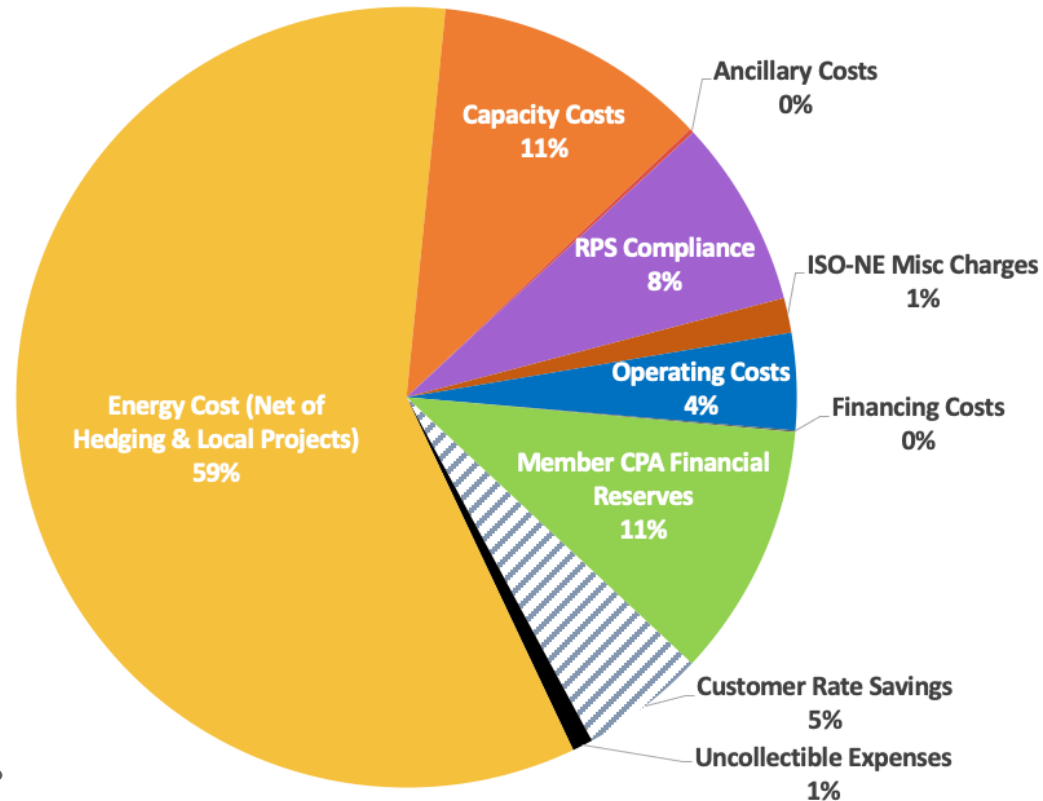
Retail Rates & Revenue Allocation

P50 Simulation | Annual Hedging
Top of bars = utility rate (6-mo periods)

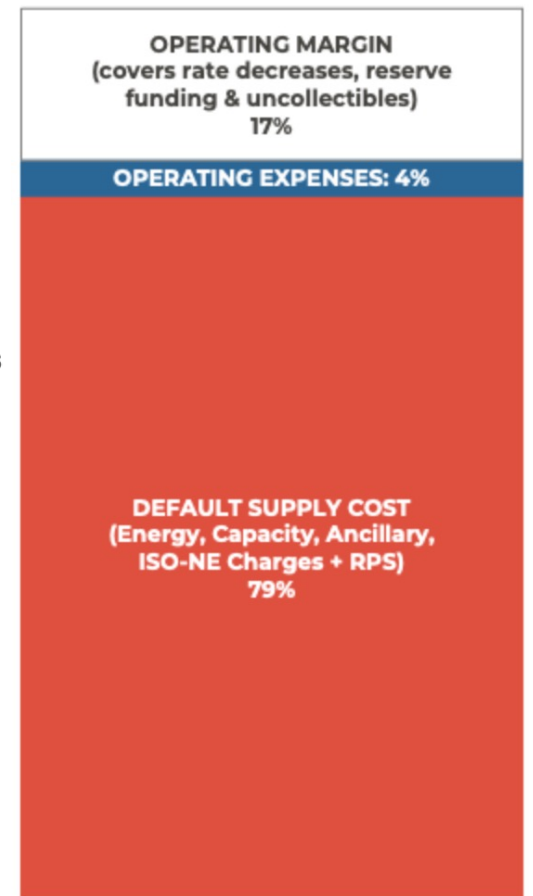


Costs x All Periods

(2023-2028 average)



Headroom vs. Utility Rate



Wave 1 Member Benefits

Financial benefits are substantial due to current market conditions & outlook

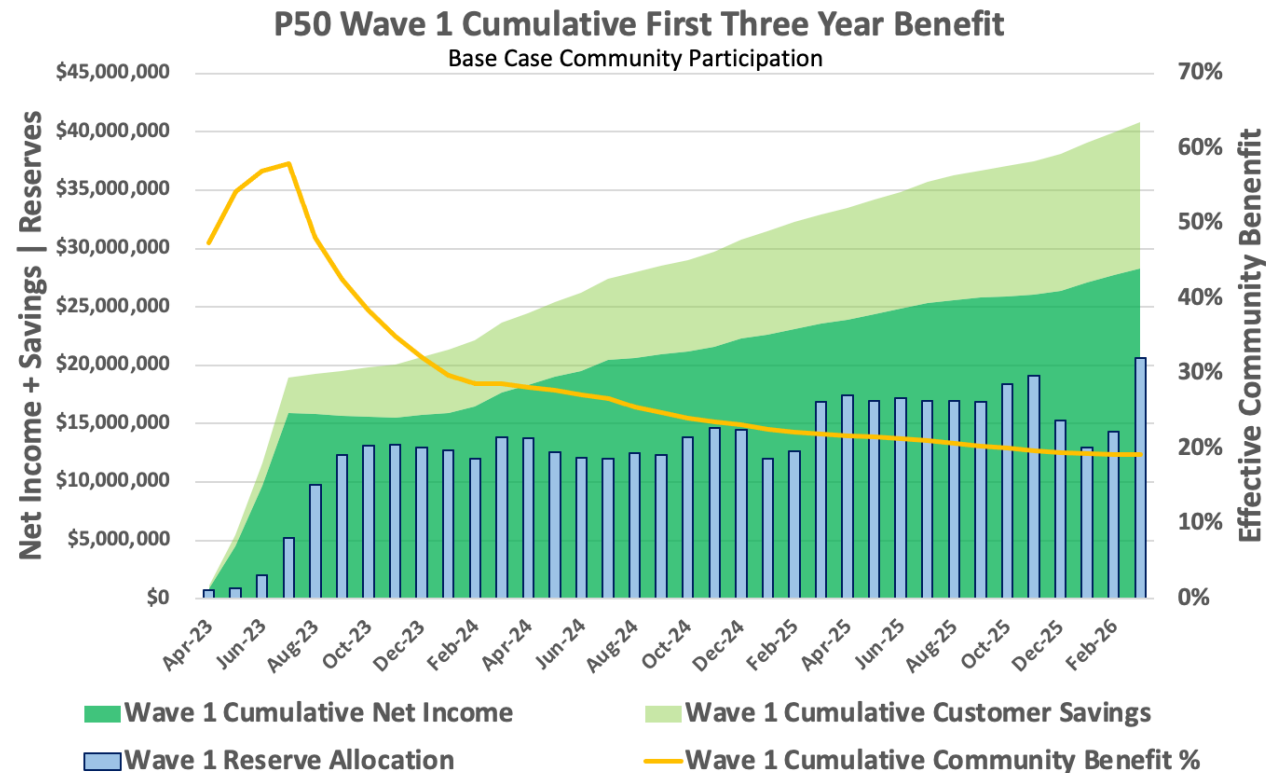
Forecasted Benefits

Member Service Contract initial 36-month term:

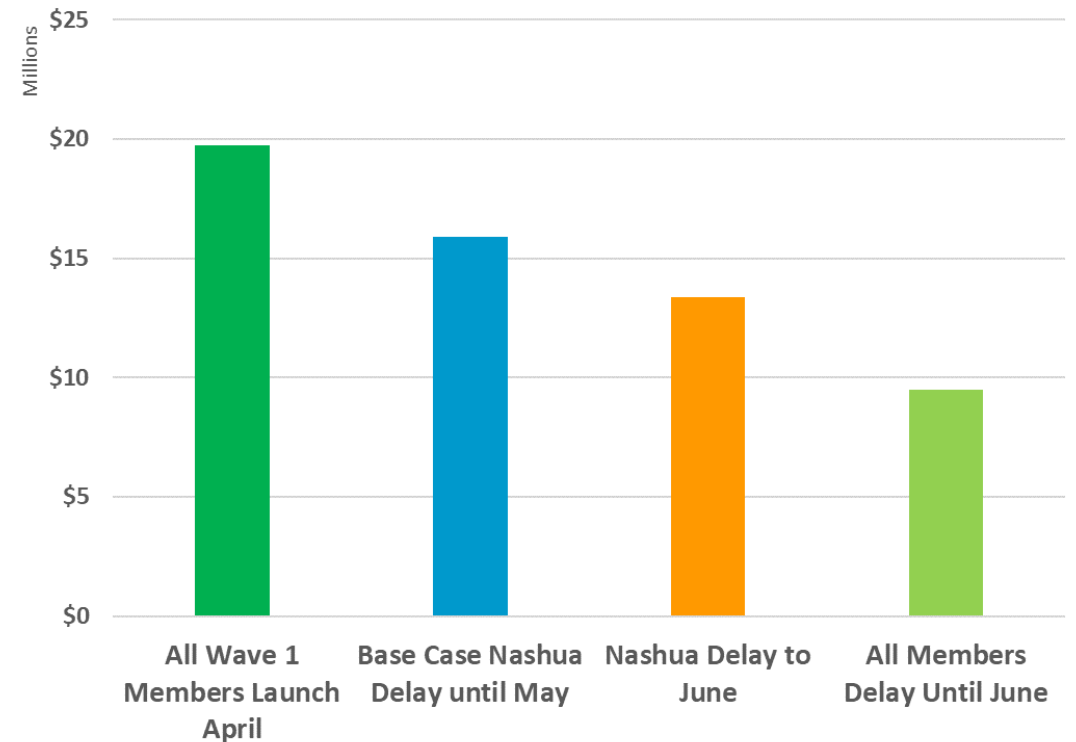
- ⚡ \$12.5M in customer savings
- ⚡ \$20-30M in financial reserves
- ⚡ **Net benefit = 19% lower costs vs utility rates**

Key Takeaways

- ⚡ Utility auction premiums = all-time high
- ⚡ Delayed launch foregoes \$ millions in benefits



Decrease in CPA Reserves from Delaying Launch
From April to June 2023 (\$ millions)



Wave 1: Community Power Launch Process

Execute Coalition Agreements

↳ Authorize Procurement

↳ Select Rates

↳ Launch!



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Enabling Agreements



All Member CPAs are provided services under the same set of governing agreements

1. Cost Sharing Agreement

- ⚡ Overarching framework to categorize & allocate costs across Member CPAs
- ⚡ Enables Member to execute Service Contracts & Project Contracts (listed under Exhibits)

2. Member Services Contract: Complete Services Bundle

- ⚡ “Complete Service Bundle” for turnkey launch & operation of CPA program
- ⚡ Authorizes Coalition to provide CPA services & collect revenues for 3+ year term
 - Early termination option (provided that no costs shifted to other CPAs)
- ⚡ Member’s individual “Authorized Official” may be delegated authority over key decisions:
 - Option to defer participation in procurement (delays launch of CPA)
 - Option to choose rate products offered by CPA (default & premium products)
 - Option to collect discretionary reserves (rate adder for CPA’s individual use)
- ⚡ References Policies (below) to govern decision-making

3. Energy Risk Management, Retail Rates & Financial Reserves Policies

- ⚡ Contract + Policies govern procurement, ratesetting & reserve decisions for all CPAs

4. Data Security & Privacy Policy

- ⚡ Ensures individual customer data is held confidential (pursuant to NH Law & Regulations)

Implementation Process Steps

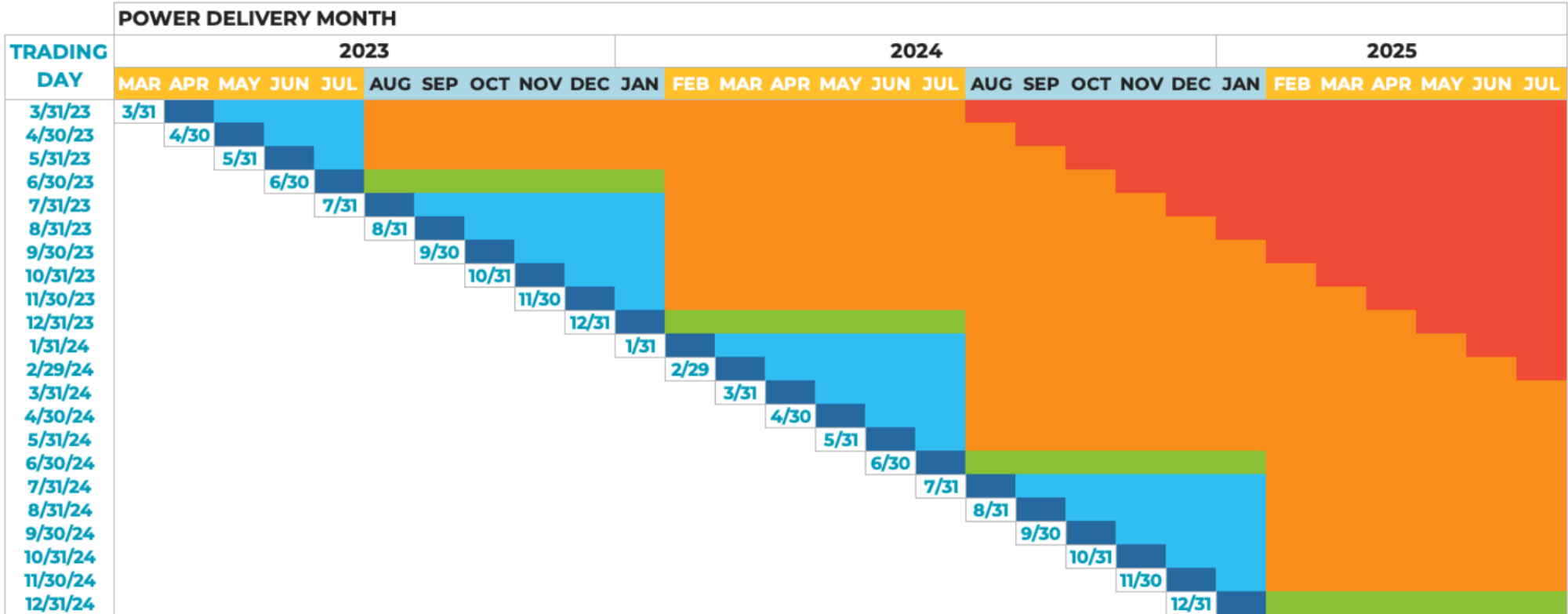
Sign Enabling Agreements → Authorize Procurement → Select Rate Products → Launch!

- ❑ **1. Each Member's Governing Body adopts Enabling Agreements...**
 - ❑ Approves final Electric Aggregation Plan updates required for launch + Amended JPA (if not previously adopted)
 - ❑ Adopts Coalition's Data Security, Energy Portfolio Risk Management, Rates, & Reserves policies
 - ❑ Adopts (and signatory executes) Cost Sharing Agreement and "Complete Service Bundle" contract
 - ↳ Designates "**Authorized Officer**" for "go/no-go" procurement decision and rate product selection
- ❑ **2. Risk Management Committee (RMC) meets to assess market conditions...**
 - ❑ Committee votes to authorize power procurement (Yes or No) to meet target rates
 - ❑ **Authorized Officer** can verbally opt-out of Wave 1 procurement at meeting to defer launch of CPA
 - ❑ Coalition procures power hedges (pursuant to Energy Portfolio Risk Management Policy)
- ❑ **3. Risk Management & Finance Committee meetings to deliberate rates w/ public input...**
 - ❑ RMC finalizes rates for all products, recommended for Board approval (pursuant to Rates & Reserves policies)
 - ❑ Governing Body or **Authorized Officer** selects recommended default & optional rate products
- ❑ **4. Coalition Board reviews and approves rates...**
 - ❑ Coalition publishes rates, notifies utilities, mails customer notifications, prepares enrollment and opt-ins/outs
 - ❑ Member holds public hearing within 15 days of mailers being sent (Coalition supports)
- ❑ **5. CPA launch → customers enrolled & power flows!**

Rolling Procurement & Risk Management

Risk Regulations require Coalition to hedge CPA load on a rolling, forward basis to manage price-risk
 Ascend reports weekly & Risk Management Committee meets monthly (at least) to authorize hedging

Coverage Ratio Requirements (hedged positions as a % of CPA load)



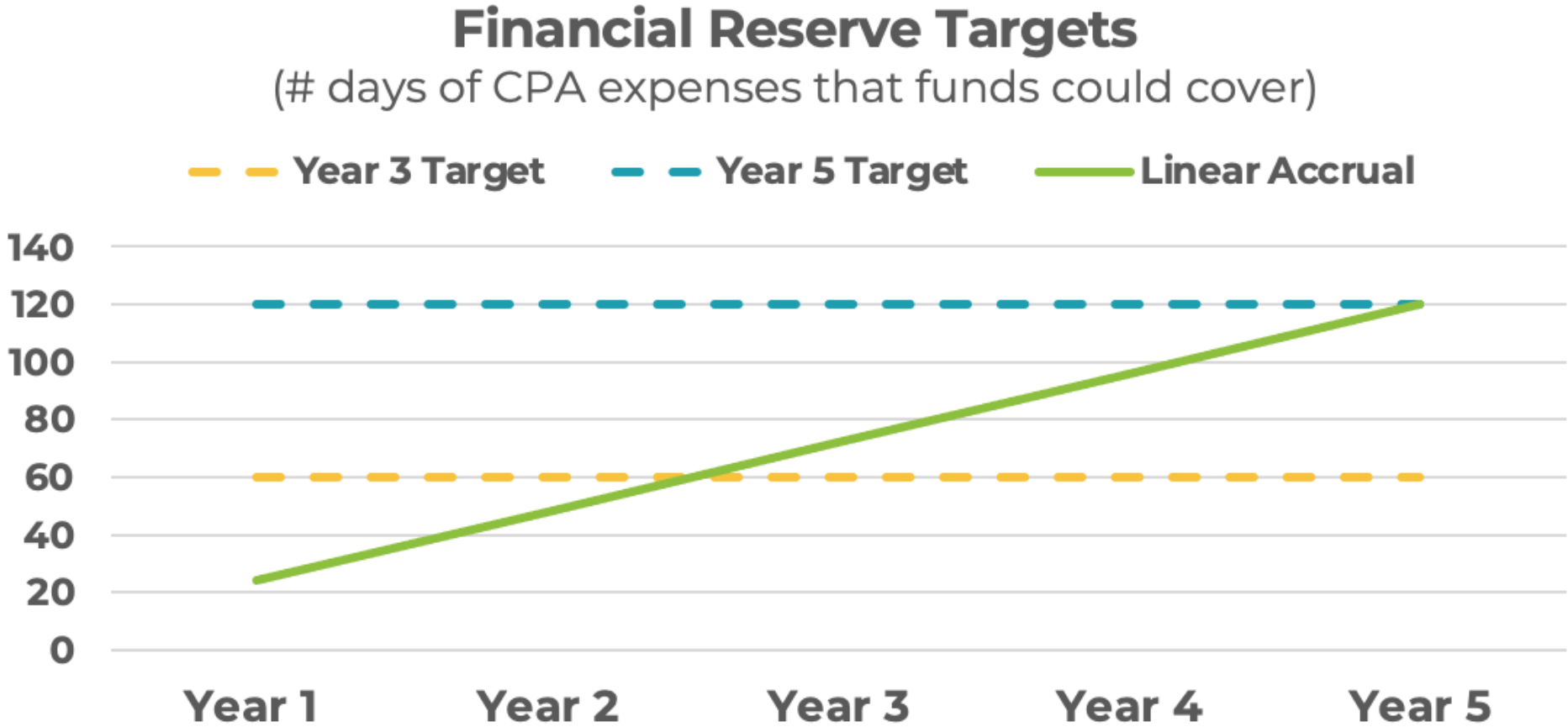
HEDGE RATIO 80-110%* 60-110%* 40-110% 0-70% 0-50%

* 125% with approval of Load Serving Entity

Financial Reserves Targets

Reserves Policy requires collection of “joint reserves” so CPAs remain stable w/ competitive rates

Policy targets = reserve covers 60 days of expenses by year 3 → 120 days by year 5:



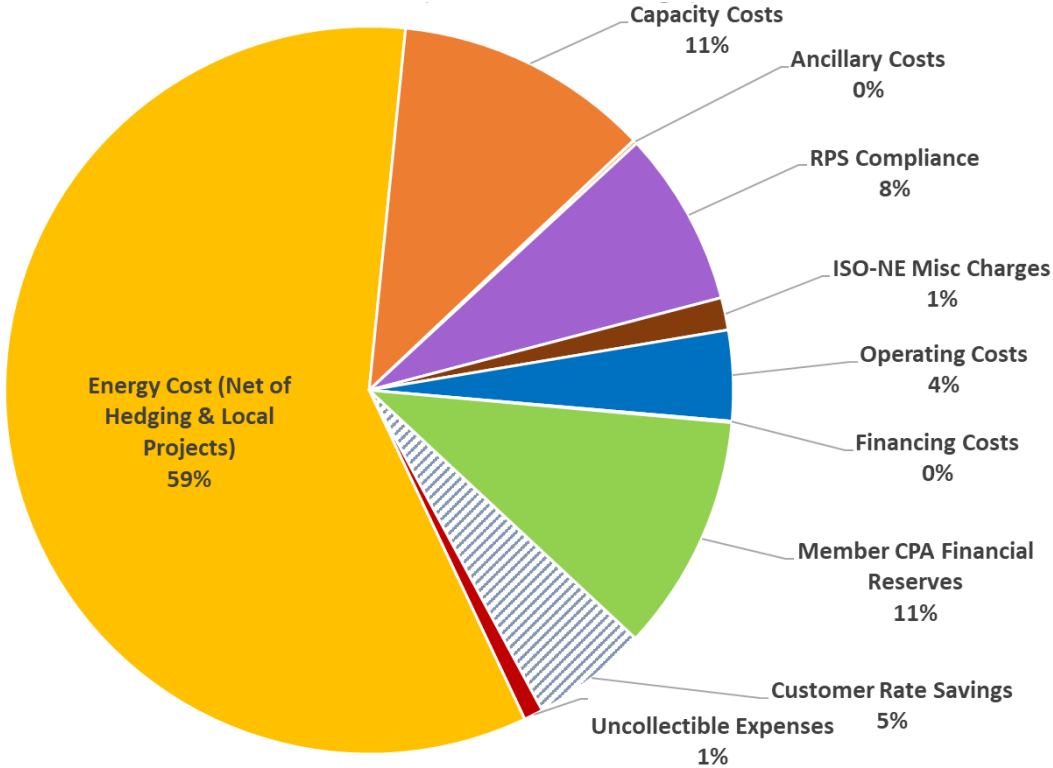
Ratesetting & Product Selection

Policy requires rates to cover cost of CPA power supply + operations + reserve fund contributions

Rates change with utilities (every 6 month) to ensure discount + **implement Member CPA product choices**

1. 'Granite Basic' Cost Forecast

(5-year forecast average shown; actual %s will vary by period)



2. Rates set by Coalition to cover costs + reserves

Granite Basic: default rate covers all costs + reserves

Granite Plus, Clean 50 & Clean 100: + rate adder for RPS / GHG free

PRODUCT	CONTENT *	MEMBER ELECTIONS
Granite Basic	Minimum RPS Content (23.4%)	Default, opt-down/in, or N/A**
Granite Plus	33% Renewable or Carbon Free	Default, opt-up/in, or N/A**
Clean 50	50% Renewable or Carbon Free	Opt-up/in or N/A
Clean 100	100% Renewable or Carbon Free	Opt-up/in or N/A

* Specified percentages are minimums (floors).

** One of these two products must be offered as Default Service.

3. Member CPAs select Products

Members select (1) which products to offer as default / opt-in and (2) whether to collect additional reserves for Member's sole use*

*NOTE: discretionary reserves won't be enabled in time for April 2023 launch

Cost Sharing Agreement

Power Agency + power supply costs are shared across CPAs based on “cost causation principles”

Cost Allocation Summary

CLASSIFICATION	COST FACTOR	ALLOCATION METHOD
General & Administrative	All Costs	\$/MWh forecasts and annual true-up to pro rata share of <u>actual</u> “Annual Retail Electricity Load” (JPA defined term)
Direct Project	Costs identified in Project Contracts	As specified in Project Contracts
	Unanticipated Costs	As directed by Project Committee vote; alternatively, Member Project Contract participation share %
CPA Member Services	All Requirements Electricity	Member CPA actual cost
<i>Power Supply</i>	Net Hedging	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Optional / Opt-Up Products	Member CPA actual cost
<i>Operations</i>	Allocated Staff, Overhead & Misc. Svc	\$/MWh
	Member CPA Compliance Costs	Member CPA actual cost
	General Compliance Costs	\$/MWh
	Financing and Credit Support	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Portfolio & Risk Management Services	\$/MWh
	ISO-NE Load Serving Entity (LSE) Services	\$/MWh
	Marketing & Community Services	\$/MWh
	Customer Notifications	\$/Notice
	Data Management & Billing Services	\$/Meter
	Call Center & Customer Services	\$/Meter
	Local Program Design, Admin & Finance	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
<i>Elective Services</i>	Additional services as authorized by the Board	

Unfair cost allocation is a major risk (political stability)

← Each CPA pays their own costs to the max extent practical

Transparency & oversight mechanisms:

- Monthly cost reports
- Quarterly / annual financial statements
- Board-ordered financial audits
- Joint Powers Agreement permits Members to inspect “books and records of the Corporation”

Costs recovered from CPA rates - or grants / 3rd party sources - per RSA 53-E

- Coalition sets rates to cover full costs + reserve collections
- No recourse to municipalities / taxpayers

CPA’s revenues from customers

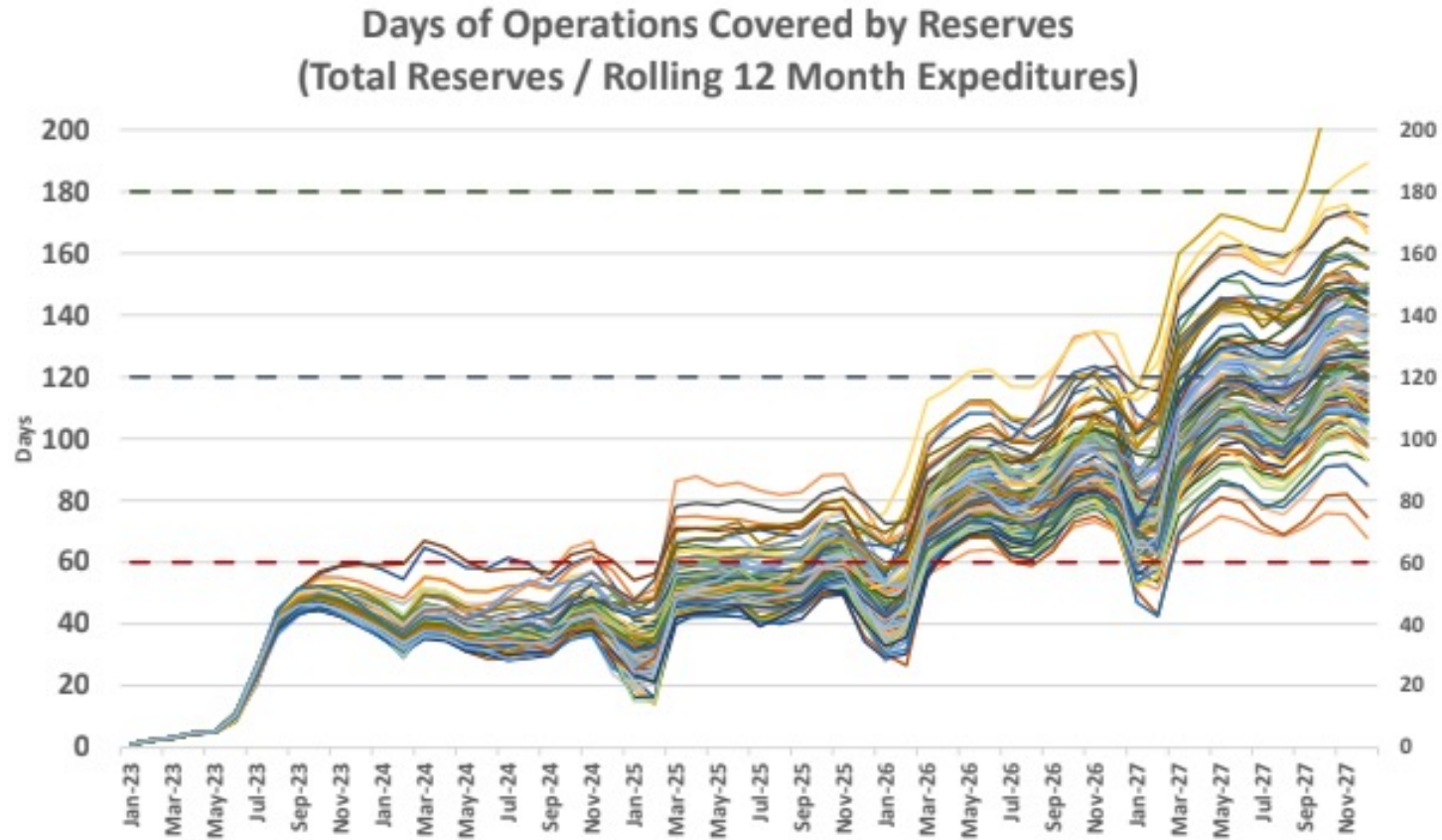
↳ Minus costs allocated to CPA

↳ = Joint reserves allocated to CPA

Financial Reserve Forecast

Reserve requirements are forecasted, collected in rates, and monitored / adjusted over time to meet targets

Projected range of reserves across 100 future price simulations (forward price updated 1/20/23):



Contract Term & Exit Ramp Options

Coalition procures power on an active, rolling basis up to 36 months out, adjusting rates & reserves every 6 months (maintains discount to utilities) — until CPA terminates service

After execution of Member Services Contract...

- ⚡ Risk Management Committee convenes to authorize procurement for CPA
- ⚡ Member's "Authorized Official" participates & can elect to defer procurement & delay launch (contract can be terminated at any time before procurement is authorized)

After procurement authorization...

- ⚡ Risk Management Committee meets each month (or as-needed) to authorize hedging
- ⚡ Risk Policy allows (partial) hedging up to 36 months out to capture risk management benefits
- ⚡ CPA has three options to terminate contract:
 1. During first 12-months, CPA may submit notice to terminate at conclusion of 36-month term
 2. After first 12-months, CPA may terminate w/ 36-month advance notice at any time
 3. Early termination: **CPA may terminate contract at any time, if no cost are shifted to other CPAs** (reserves allocated to Member can pay off net costs of "unwinding" above-market hedges)

Maximizes flexibility for each Member to terminate — while protecting all Members from cost shifts

FOR COMMUNITIES, BY COMMUNITIES.



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Coalition Key Documents

Posted online at www.cpcnh.org/about (under “key documents”)

1. [Joint Powers Agreement & Bylaws](#)
2. [Cost Sharing Agreement & Member Services Contract](#)
3. [Data Security and Privacy Policy](#)
4. [Energy Portfolio Risk Management, Retail Rates & Financial Reserves Policies](#)
5. [Energy Portfolio Risk Management Regulations](#)
6. [Board Approved Start-up Budget](#)
7. [Technical Assessment by Ascend Analytics](#)