

Lebanon Community Power

DRAFT ELECTRIC AGGREGATION PLAN

Frequently Asked Questions (FAQ)

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1. What is Community Power?

Community Power, authorized by [NH RSA 53-E](#), allows local governments to procure electric power on behalf of their residents, businesses, and municipal accounts. Providing electricity supply involves being responsible for procuring electric generation (supply) to match customer loads (consumption) in real time – putting power into the grid to match what customers take out.

Community Power is also referred to as "Community Power Aggregation" (CPA) and as "Community Choice Aggregation" (CCA).

Community Power empowers towns, cities, and counties to choose where their electricity supply comes. In several states across the country, municipalities and counties have launched regional Community Power programs as a means of taking control of their combined electricity purchases, both to reduce the cost to consumers and to push for production of more renewable energy.

There are three main components of Community Power:

1. **Bulk Electricity Purchases.** Communities pool together purchasing power to make large electricity buys jointly. Informed bulk purchasing can stabilize and lower costs, while expanding choices such as renewable energy options.
2. **Electric Distribution Utilities.** Under Community Power programs, the existing electric distribution utility, Liberty here in Lebanon, will continue to deliver power over their distribution system and arrange for transmission services to bring power to their system from bulk generators throughout New England.
3. **Value Added Retail Products & Services.** Community Power can create a number of benefits for residents and businesses including: affordable rates, green power options, demand response and time varying rates, greater access to community solar, energy storage, or other technology innovations.

What is Community Power?

New Hampshire cities, towns, and counties procure electric power supply on behalf of their residents and businesses and provide related services.



Pooled Purchasing Power for Energy Supply

- Access to competitive markets
- Joint risk management = lower costs & price stability
- Option to source power locally & build new renewables

Utility Company Delivers Power

- Utilities own & maintain power grid
- Connecting generation to load
- Ensuring reliable electric service

Communities Benefit from Value Added Services

- Affordable rates
- Access to green power options
- Time-of-Use rate options
- Solar, storage, electric vehicle support

Enabling Legislation: [RSA 53-E, Relative to Aggregation of Electric Customers by Municipalities & Counties](#)

2. What is the Purpose of an Electric Aggregation Plan?

On October 5, 2016 the Lebanon City Council voted unanimously to designate LEAC, the Lebanon Energy Advisory Committee, as the City's Electric Aggregation Committee pursuant to RSA 53-E and tasked LEAC to prepare an Electric Aggregation Plan, which sets forth Lebanon's policy goals for our Community Power program, summarizes program governance and implementation processes, and commits Lebanon 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 between different electric distribution utilities in their respective franchise territories; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power.

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

After conducting public hearings on the draft plan, LEAC may vote to recommend the City Council, at the City's governing and legislative body approve the plan. A majority vote to approve the plan will establish Lebanon Community Power as an approved aggregation with the authorities under RSA 53-E,

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

3. What are the Key Features of Lebanon Community Power?

Lebanon Community Power (LCP) will only launch if it is able to initially offer residential default rates that are lower than or competitive with those offered by Liberty Utilities. Thereafter, the program will:

- Serve as the default electricity supplier for all customers on a default "opt-out" basis;
- Offer innovative services and generation rates to customers on an "opt-in" or "opt-up" basis (such as 100% renewable premium products, time-varying rates and Net Energy Metering generation credits for customers with solar photovoltaics);
- Operate on a competitive basis, in that customers may choose to switch between Lebanon Community Power, service provided by Competitive Electric Power Suppliers, and utility-provided default service; and
- Be self-funded through revenues generated by participating customers; the City will not use taxes to cover program expenses.

The City Council, in coordination with advisory support from the Lebanon Energy Advisory Committee (LEAC), will authorize the City Manager to contract for the necessary services and power supplies to implement and operate the program, set customer rates prior to program launch and continue to provide oversight over the program thereafter.

4. Will Everyone Be Required to Use Lebanon Community Power?

No. Just as it is possible today for a customer to choose a different energy supplier, any customer will be able to opt-out of the LCP default electricity supply and stay with the utility for default supply or choose another competitive energy supplier. Any customer already on competitive supply will need to opt-in to switch to Lebanon Community Power.

5. Will Liberty Utilities Continue to Deliver my Electricity?

Yes, Liberty, the investor-owned utility with the exclusive franchise to distribute electric power in Lebanon will continue to own and operate the distribution system and arrange for regional transmission service from ISO New England and National Grid, including all electricity substations, power lines, utility poles, transformers, the electricity feed to your home and your meter. The distribution utility will still be responsible for reliability and responding to power outages and will continue to be regulated by the NH Public Utilities Commission.

New Hampshire is a restructured state which means that Liberty Utilities is in the wires business not the generation of electricity. They put out their default service load to bid by competitive suppliers every 6 months.

6. If I have net metered solar PV, can I still participate in Lebanon Community Power?

Yes, LCP Intends to offer a Net Energy Metering (NEM) generation credit and terms to customers with onsite renewable generation eligible for net metering. Note that any non-supply related components of the NEM tariff (e.g., credits for transmission and distribution) will continue to be provided to customer-generators directly by the incumbent utilities. More details on how Net Metering currently works and how it may work with LCP are provided In the draft EAP at page 23 and In Attachments 5 and 6.

7. What are the Benefits of Community Power?

The main benefits of Community Power are:

- **Local Control:** Community Power presents an opportunity for cities and towns to have greater choice in sourcing their electricity, and gives them the local control authorities to meet their respective energy goals.
- **Lower Costs:** Community Power can lower energy costs by giving cities and towns access to competitive market options for power supply. Other Community Power markets have demonstrated an ability to supply power at rates that are on average lower than or at parity with the regulated utility.

- **Renewable Energy:** Community Power can enable cities and towns to procure more renewable energy through competitive markets. It also creates opportunities to contract directly with existing local renewable energy systems, or, to contract for development of new local generation such as solar or solar + storage to supply power to their program.
- **Resilience & Innovation:** Community Power can also facilitate greater resiliency and “retail innovation.” Programs can empower customers with more options including lower energy supply rates, green power options, time-based rate options, or other programs for residents and businesses including options for modern technologies like rooftop solar and battery storage (net metering alternatives), electric vehicle charging, energy efficiency options, and more. These programs can help “shift load” to off-peak times, provide backup power during outages, and lower procurement costs for the program as a whole.

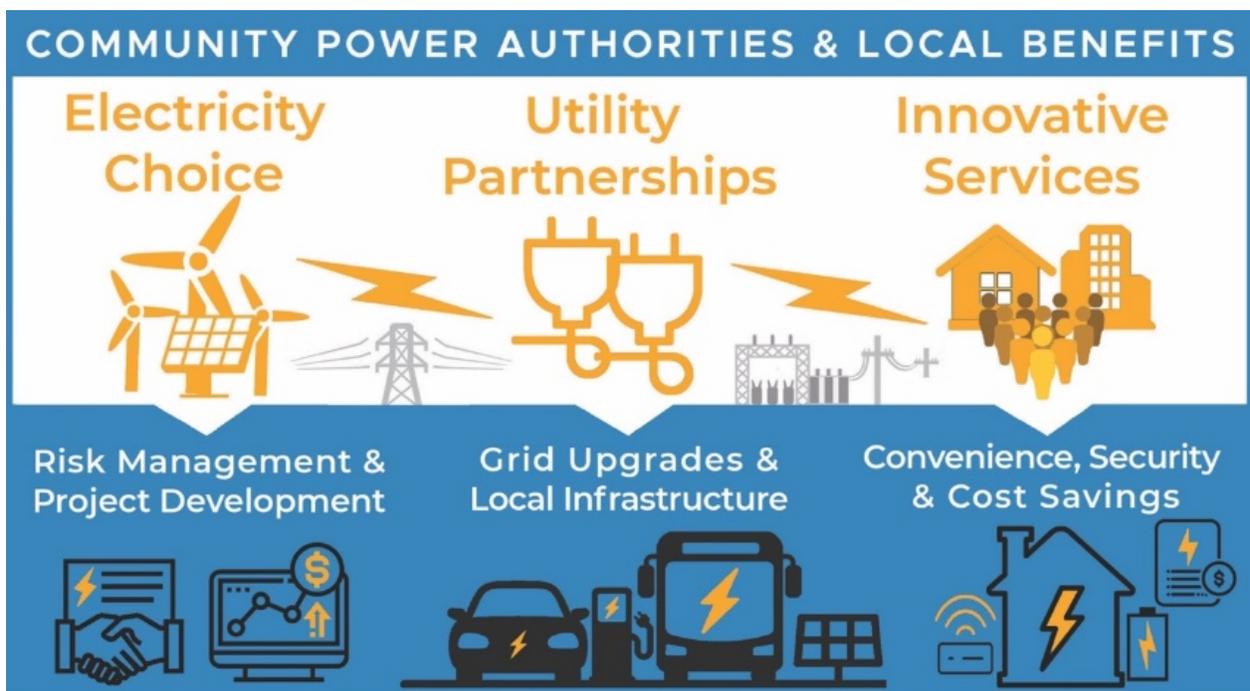
Benefits of Community Power

			
Local Control	Lower Costs	Renewables	Resilience & Innovation
Democratizing energy procurement to the community level	MA, NY, CA and other markets have demonstrated lower rates than regulated utilities	Build & Buy Clean Energy Support more local renewables	New Technologies Market Competition Price Signals Customer Empowerment

The Legislature’s intent in enacting RSA 53-E was to “*encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.*” Among other things it allows municipalities and counties to:

- Establish a joint powers agency with other Community Power programs to share services, contract for energy project developments, and facilitate related energy initiatives; and
- Work collaboratively with distribution utilities, regulators, policymakers, and innovative energy businesses to help modernize our electrical grid and market infrastructure.

These authorities and local benefits are depicted in the graphic below:



8. What is Community Power Coalition of NH (CPCNH / the Coalition)?

Community Power Coalition of New Hampshire (CPCNH, or, “The Coalition”) is a public nonprofit in formation, designed “For Communities, By Communities.” Lebanon has been a leader in helping to create the Coalition so that municipalities and counties across New Hampshire can:

1. Streamline implementation by collaborating across a statewide network of peers;
2. Share services and staff support across member cities, towns and counties;
3. Participate in joint power solicitations and project development opportunities (e.g., community solar + storage);
4. Share knowledge and collaborate regionally on clean energy and resilient infrastructure development at the community-level throughout the state.
5. Speak with one voice in state policy affairs relating to energy issues.

Lebanon has worked with other municipalities since December 2019 to design the Coalition:

- Shortly after SB 286 was signed into law in 2019, LEAC and those involved with developing Lebanon Community Power concluded that exercising and deriving benefit from the full range of local control authorities authorized under RSA 53-E would be challenging for any single Community Power program to accomplish on its own.
- Consequently, beginning in December 2019, officials and staff from Lebanon began researching Community Power and power agency design best practices in collaboration with several other municipalities and expert energy advisors from across the state.

- The ad hoc group evaluated various power agency models and hired legal experts to draft the Coalition’s Joint Powers Agreement (the governance agreement that municipalities jointly execute to create the agency); it has been approved by the cities of Lebanon and Nashua and the towns of Hanover, Exeter, Harrisville, and Rye to-date, is expected to be approved by Cheshire County in the near-term, and has been approved by the NH Attorney General as conforming with state law. Several other communities across the state are in the process of adopting the Joint Powers Agreement and joining the CPCNH.
- The Coalition’s joint powers agency governance model and competitive business model have been designed in accordance with energy industry best practices to ensure that participating Community Power programs benefit from transparent governance and high-quality services —so that all communities are able to take full advantage of their local control authorities under RSA 53-E and achieve the full scope of their local energy policy goals.

The Coalition will be governed “for communities, by communities” under a voluntary and flexible membership structure, will provide competitive electricity service on a statewide basis, and will strengthen the ability of communities to coordinate effectively on related public advocacy issues.



Key aspects of the Coalition’s design, governance, services and start-up process are further detailed in the draft plan.

Visit the CPCNH website for more info: [Community Power Coalition of New Hampshire \(cpcnh.org\)](http://Community Power Coalition of New Hampshire (cpcnh.org))

9. Are Taxpayers at Risk with the City Joining CPCNH or Launching Lebanon Community Power?

No. Joining CPCNH doesn’t cost anything and doesn’t commit a city or town or its residents to the programs of the CPCNH. Municipalities are under no financial obligation until they execute a cost-sharing agreement. Municipalities may withdraw from the Coalition prior to entering into a cost-sharing agreement without any financial obligation and withdraw at any time thereafter subject to the terms, conditions and continuing obligations specified in the cost-sharing agreement.

Community Power programs are to be self-funded from the revenue received from participating customers:

- Members will be able to launch Community Power programs at no upfront expense through the CPCNH.
- Program implementation and ongoing operating costs for each Member will be recovered post-launch through revenues from electricity sales.
- All operating costs will be recovered in the customer rates set by each Member.

There are no taxpayer funds required for a community and its residents to take power supply services through CPCNH. The cost to operate programs will be recovered through revenues associated with electricity sales (i.e., a small portion of the energy supply rate paid by each participating electric customer).

10. What are the Objectives and Near-Term Requirements of the LCP Program?

In support of City energy and climate policy goals the Program Objectives described in the draft EAP are:

1. Meet or beat utility default supply rates
2. Provide greener electricity
3. Maintain rate stability
4. Engage in Public Advocacy
5. Help customers lower total energy costs
6. Support and develop local and regional renewables and storage
7. Support and develop customer and community energy resilience
8. Collaborate regionally on clean infrastructure developments
9. Accelerate Grid Modernization

The Near-Term Requirements are:

1. Launch with competitive rates
2. Begin accruing financial reserves
3. Offer Net Energy Metering supply rates
4. Offer opt-in products (increased renewables, time varying rates, etc.)

Before launching the City will continue working with utilities and the PUC to adopt administrative rules for Community Power Aggregations.

11. What is the Background on Developing the Coalition?

Beginning in 2019, an ad-hoc work group known as the “Coalition Organizing Group” met regularly to research national best practices and explore the viability of establishing a new public power nonprofit to share services across municipalities and counties. The Coalition Organizing Group has been led by the following municipal and county staff and officials:



Clifton Below
Assistant Mayor
City of Lebanon



Doria Brown
Energy Manager
City of Nashua



Julia Griffin
Town Manager
Town of Hanover



April Salas
Sustainability Director
Town of Hanover



Rod Bouchard
Deputy Administrator
Cheshire County

Additional municipal partners include: Tad Montgomery, Energy & Facilities Manager and Everett Hammond, Assistant Public Works Director for the City of Lebanon; Cheshire County Administrator Christopher Coates; Selectwoman Andrea Hodson and Electric Aggregation Committee member Ned Hulbert from the Town of Harrisville; and Mary Day Mordecai, Growing Edge Partners.

The Coalition has been supported by technical and community advisors including:



Henry Herndon
(formerly) Director of
Local Energy Solutions
Clean Energy NH



Dori Drachman
Co-founder
Monadnock
Sustainability Hub



Samuel Golding
President
Community Choice
Partners



Dr. Amro Farid
Associate Professor
Thayer School of Engineering
Dartmouth College

Members of the Coalition’s Organizing Group have:

- Participated and often led discussions in the Community Power informal rule drafting process hosted by the Public Utilities Commission;
- Intervened in regulatory proceedings and legislative hearings to represent the interests of communities and customers, such as by advocating for expanded data access in the Commission’s Statewide Data Platform docket (DE 19-197), and successfully negotiating the clarification and expansion of key Community Power authorities in House Bill 315;
- Assessed power agency design best practices — in terms of community governance and competitive operating models — by interviewing elected officials, senior staff and vendors operating Community Power programs in other states (such as the Redwood Coast Energy Authority and Silicon Valley Clean Energy in California), along with representatives from public power associations (such as the American Public Power Association and the Vermont Public Power Supply Authority) and other industry experts; and

- Hosted a virtual summit on Community Power that was attended by over eighty representatives from thirty-one municipalities, collectively representing one-quarter of the state’s default electricity market.

In the second half of 2020, the City of Lebanon and Town of Hanover, in collaboration with the Organizing Group, after reviewing six responses to a Request for Qualifications, retained the law firm of Duncan, Weinberg, Genzer & Pembroke and worked with firm president Michael Postar Esq. and subcontracted New Hampshire counsel to draft the Coalition’s Joint Power Agreement. Duncan Weinberg are national leaders with over 50 years of public power legal guidance. In January 2021, the New Hampshire Attorney General approved the Coalition’s governance agreement as conforming to state law.

In February 2021, the City of Lebanon using previously secured grant funding and in collaboration with the Coalition’s Organizing Group contracted with Henry Herndon (formerly the Director of Local Energy Solutions at Clean Energy New Hampshire) and Samuel Golding of Community Choice Partners, Inc., to provide implementation support services prior to launch. Services include supporting municipalities throughout the Community Power approval and formation process, and conducting competitive solicitations for the services, credit support and electricity procurement required to launch and operate member Community Power programs.

The Coalition will contract with qualified vendors and credit-worthy suppliers to cover the upfront cost of implementing Community Power programs, the expense of which is expected to be amortized and recovered in member program’s rates and charges to participating customers for a specified term. Similar at-risk and performance-based contract structures have been used to successfully launch and operate programs in other Community Power markets.

To ensure effective management of business operations, as well as enhanced transparency and oversight, the Coalition plans to hire a small number of qualified staff as it becomes operational.



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