

Hanover Community Power Electric Aggregation Plan



May 2021

Executive Summary

Overview

Hanover Community Power is a program to provide electric power supply and services for residents, businesses, and other entities in the Town of Hanover that is authorized under RSA 53-E.

The Legislature's purpose in enabling Community Power was to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities. RSA 53-E allows municipalities and counties to aggregate retail electric customers, including residential, non-profit, and small commercial accounts, to provide such customers access to competitive markets for supplies of electricity and related energy services. Refer to [Attachment 1](#) for more details on local control authorities and legislative context.

Community Power programs operate on a competitive basis and are self-funded through revenues generated by participating customers. The Town of Hanover will not need to raise taxes to fund the program.

Aggregations provide small customers with similar opportunities to those currently available to large electric customers in obtaining lower electric costs, reliable service, and secure energy supplies, particularly as they differ from standard default service provided by the incumbent electric utilities.

Hanover's three incumbent electric utilities, Liberty, Eversource and the NH Electric Co-op (NHEC), who each serve a specific region within the Town, will continue to own and operate the distribution grid and be responsible for delivering power to participating customers. The NH Public Utilities Commission (NHPUC) is currently drafting rules regarding the implementation and operation of Community Power programs within the state.

The Hanover Electric Aggregation Committee, a subcommittee of Sustainable Hanover, was tasked by the Hanover Selectboard with drafting this Electric Aggregation Plan, which sets forth goals, implementation and management principles, and requirements for the program required by RSA 53-E, for consideration by Hanover Town Meeting. Approval of this plan by Town Meeting as the legislative body then authorizes the Selectboard to arrange and contract for the necessary professional services and power supplies to launch Hanover Community Power.

The Town of Hanover is a founding member of the Community Power Coalition of New Hampshire (CPCNH, a nonprofit created to streamline and enhance the implementation and operation of multiple individual Community Power programs on a statewide basis. CPCNH will contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate members' Community Power programs. These third parties are expected to fund the upfront cost of implementing member programs, with costs recovered through program revenues.

This plan enables, but does not require, Hanover to participate fully in CPCNH and to appoint representatives to the CPCNH Board of Directors to oversee these activities.

Due to the participation of several other municipalities, CPCNH will launch at a scale equivalent to Liberty Utilities and may become larger than Unitil within the 2022-23 timeframe (in terms of the number of customers on default service and quantity of electricity procured by these utilities).

Hanover Community Power is well aligned with our community's policy objectives of achieving 100% renewable electricity by 2030 and thermal and transportation energy by 2050, as voted on and approved at Town Meeting in May 2017 with the adoption of the community's Ready for 100 resolution. Hanover's program goals are:

- **Competitive Rates & Choices** that must meet or beat those offered by Liberty, Eversource or the NHEC at launch, and must offer choices in terms of the percentage supply of renewable power offered in each supply mix as well as pricing options.
- **Fiscal Stability & Financial Reserves** to ensure the program is able to maintain competitive rates over time and advance the Town's policy goals over the long-term (e.g, development of local energy resources and programs);
- **Enhanced Customer Focus** to enable customers to adopt new clean energy technologies that reduce energy expenditures and carbon emissions.
- **Consumer Protections** to ensure contracts entered in to are fair, and to represent the Town of Hanover's interests on energy issues at the NH Legislature and the NHPUC.
- **Cleaner, Local Power** to supply an affordable energy portfolio that prioritizes the use of cost-effective renewable energy, local energy projects and customer programs.
- **Community Resiliency** programs to reduce energy consumption, lower bills, create jobs, and pursue longer-term projects such as building local back-up power supplies.
- **Regional Development** in support of clean infrastructure developed in collaboration with municipalities, Community Power programs and other government agencies.
- **Grid Modernization** by supporting informed advocacy for policies, regulations, and infrastructure investments to ensure a decarbonized, affordable and resilient energy system.

The Town of Hanover's Electric Aggregation Committee began researching Community Power best practices in December 2019, in collaboration with the other founding members of the Coalition and advisors throughout the state. The Town did so after determining that the best approach to procuring renewably generated electricity for Hanover electricity customers was by combining the community's demand with that of other NH communities. See [Attachment 7](#) for a summary of the many actions the Town has taken since 2017 that led us to a determination to pursue formal municipal aggregation of electricity.

This plan reflects industry best practices and was developed by the Electric Aggregation Committee with input from CPCNH and from our residents, local businesses and the other prospective customers of Hanover Community Power.

Purpose of this Electric Aggregation Plan

This Electric Aggregation Plan sets forth the Town's policy goals for its Community Power program, summarizes Hanover Community Power's governance and implementation processes, and commits Hanover 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 the incumbent utilities' 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.

This plan does not otherwise commit Hanover Community Power to any defined course of action and does not impose any financial commitment on the Town of Hanover.

Public Approval Process and Next Steps

This Electric Aggregation Plan was developed by Hanover's Electric Aggregation Committee with due input from the public, as required under RSA 53-E. Refer to [Attachment 7](#) for a summary of this process.

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

1. The Electric Aggregation Committee may now submit this Electric Aggregation Plan for consideration by the Hanover Selectboard and, in turn, at Town Meeting.
2. Adoption of this Plan at Town Meeting, by majority approval of those present and voting, establishes Hanover Community Power as an approved aggregation with statutory authorities defined under RSA 53-E:3, to be exercised with due oversight and local governance, as described herein.
3. The Selectboard will appoint a primary and alternate representative to the CPCNH Board of Directors. CPCNH Board meetings will be duly noticed and conducted in accordance with New Hampshire's Right-to-Know Law (RSA 91-A).
4. Future decisions made by the Selectboard regarding how to implement and operate Hanover Community Power, including the execution of a Cost Sharing Agreement with the Coalition and delegation of authorities, if any, to Hanover's representatives on the CPCNH Board, will be made at duly noticed public meetings.

The program will not launch until regulations governing Community Power are adopted by the NHPUC. NHPUC staff are currently drafting rules, and Hanover Community Power and the Coalition will actively participate in the Commission's public review process.

Rules are expected to require submission of this plan to the Commission to provide formal notice that the Selectboard is planning to launch a Community Power program, and to authorize the

Town of Hanover to request access to additional customer data from Liberty, Eversource and NHEC that will be needed for the implementation and administration of Hanover Community Power.

Overview of Hanover Community Power

Hanover Community Power is a new program to provide electricity to residents, businesses, and other entities on a competitive basis. Under the program:

- Hanover Community Power, once operational, will serve as the default electricity supplier within the Town of Hanover's boundaries and be self-funded through revenues received by participating customers. The Town will not need to raise taxes to pay for it.
- Liberty, Eversource and NHEC, the electric distribution companies that own and operate the local distribution system in Hanover (poles, wires, transformers, substations, etc.), will continue to deliver electricity to customers.
- Hanover's Selectboard, in coordination with advisory support from the Town Manager and the Hanover Electric Aggregation Committee, will be authorized 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.

All customers in Hanover will be notified and may choose to opt-out of, or request to opt-in to, participating in the program as described below:

- Customers currently on default service provided by Liberty, Eversource or NHEC will be notified, provided the opportunity to decline participation, and thereafter transferred to Hanover Community Power if they do not opt-out, by a specified date outlined in the notification.
 - Customer notifications will: include the initial fixed rate for the program's default service compared with the Liberty, Eversource and NHEC rates, be mailed to customers at least 30 days in advance of program launch and provide instructions for customers to decline participation (for example, by return postcard, calling a phone number or using a web portal).
- Customers already served by Competitive Electric Power Suppliers will be notified and may request to opt-in to the program; and
- New customers will thereafter be notified and transferred onto Hanover Community Power's default service unless they choose to take service from Liberty, Eversource, NHEC or a Competitive Electric Power Supplier.

All customers on Hanover Community Power default service will remain free to switch back to the Liberty, Eversource, NHEC or to take service from a Competitive Electric Power Supplier.

Liberty Utilities provides electric distribution service to almost all customers within the Town of Hanover. The table below shows the total number and electricity usage of customers served by Liberty, who would initially receive either "opt-in" or "opt-out" notifications:

Liberty Utilities Customers

(Eligible for Opt-In or Opt-Out Notifications)

| | Customer Count | Annual Usage (MWh) |
|--------------|-----------------------|---------------------------|
| Municipal | 39 | 2,387 |
| Residential | 2,497 | 20,900 |
| Commercial | 561 | 17,321 |
| Industrial | 12 | 71,745 |
| Total | 3,109 | 111,640 |

Aggregated data shown was provided by Liberty Utilities.

As Hanover prepares to implement the program, additional customer data will be provided by Liberty Utilities, as well as NHEC and Eversource, so that the Town will be able to notify and provide all customers the opportunity to participate in the program (as required under RSA 53-E).

