

## Town of Exeter NH Energy Committee

### AGENDA

March 12th; 3:30 PM

Wheelwright Room, Town Offices

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1. Call to Order
2. Public Comment; Introduction of Guests
3. Approval of Minutes - Minutes of February 12, 2025 meeting MOTION to approve. (*Attachment - Minutes*)
4. Committee Organization for 2025: Election of Chair, Vice Chair, Secretary, effective April 25-Mar26. MOTIONS to nominate
5. WindowDresser Program – Exeter Build for 2025-26 - *Stephanie*
  - Summary of discussion for continuing program
  - Fundraising for 2025-26 – Grow Grant (NEGEF) deadline March 18
  - Sub committee creation
6. Energy Committee Calendar and Project Planning for 2025 – Preliminary discussion *Attachment: Draft Workplan and Calendar template* - All
7. EHS member liaison updates (Abigail and Danica)
8. EECBG project (Jack Frost) Update – *Kristen*
9. Community Power Update - *Cliff*
  - Testimony to House Science Technology and Energy Committee on HB760 (*Attachment*)
  - Report to SelectBoard on CPCNH rate changes (*Attachment*)
10. Planning for Joint Energy Committee/Sustainability Committee meeting. (April?)
11. Other Business / Follow up/
  - EV Charger CIP Project Update – Town Meeting results; funding status
  - SolSmart NH Project status; Kickoff meeting (on Zoom), 12 noon, March 27
  - Other
12. Next meeting agenda items
  - Windowdressers Coordinator Team & Subcommittee formation
  - Joint EC/SC meeting
13. Adjourn

## Town of Exeter NH Energy Committee

### MINUTES

February 12th; 3:30 PM  
Wheelwright Room, Town Offices

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1. Call to Order 3:45 pm. Present: Mark Lemos, Amy Farnham, Cliff Sinnott, Abigail \_\_\_\_\_, Stephanie Marshall, Julie Gilman, Kristen Murphy
2. Public Comment; Introduction of Guests
3. Approval of Minutes - Minutes of January 8, 2025 meeting MOTION to approve by Amy, Second by Stephanie. (*Attachment - minutes*)
4. WindowDressers Program – Exeter Build
  - Summary of results, takeaways and thoughts for next year. Very positive experience in terms of number and enthusiasm of volunteers who participated, support from WindowDressers staff, customer satisfaction with the product, having the Town Hall to use, and working with each other. It is a lot of work and we need to find others to help with Coordinating positions. Sustainability Committee wants to be involved. Could create an ad hoc committee or subcommittee. By the next meeting we will decide if and how to move forward. Kristen will find out about what is the proper structure for that. Timing to do grants- possibly the NE Grassroots Fund for which we are eligible for a Grow Grant this year.
  - Catch ExeterTV's summary: <https://www.youtube.com/watch?v=5ER5Igl-Clc>
5. EHS member liaison updates (Abigail and Danica) - Doing Bird boxes now. Looking at solar panels that are there now and need to be trimmed around them. Cliff suggests with some ideas of what the high school would like to tackle that we can possibly help with.
6. EECBG project (Jack Frost) Update – *Kristen* No emails have been returned by the employees of DOE. Status of the ongoing project is unknown. There continues to be work on the project to keep it moving and not out of compliance. There is an event at the Library on February 22, for the ROC folks.
7. Community Power Update - *Cliff*
  - Rate increases for new rate period (Feb 1/Mar 1- July 31) (*Attachment*) A higher rate has been released at the end of January, effective March 3<sup>rd</sup>. New rates are 9.7 cents for the Granite Basic which is higher than the Unitil rate at 8.7 cents. Reason for it was the need to keep sufficient reserves to be funded. Russ Dean has asked Cliff to come to Select Board meeting on February 18, to explain what has occurred. Residents can return to default rate with Unitil. Bob has put the new rate on the panels on the website- could make it a link to the Press Release.
  - Seacoast Green Challenge final results (*Attachment*) – *Portsmouth won the challenge*
  - *HB 760- CPCNH* is requesting that members register support. Cliff would go to the Committee hearing and speak to support. Motion: Amy moves to have Energy Committee support HB760. Seconded by Mark and unanimous approval
8. SolSmart NH Cohort Opportunity. - *Kristen*  
(See [2025 SolSmart NH Cohort](#). **Info Session Recording** [video recording](#) and [slides](#) (starts about 8:40)). – Clean Energy NH had a webinar on SolSmart – designation that indicates that there are clear procedures and solar friendly

town. We would be eligible for a review of zoning ordinance and regulations, have a rep from Town to discuss. The first year a town receives a bronze status. Kristen believes it is a low time commitment, free zoning analysis, and networking opportunities with other towns. Look at video recording. If want to participate we should let them know by February 28. Kristen doesn't see any reason why not to do it. Motion: Amy moves to apply to be a cohort for SolSmartNH project. Mark seconds. Unanimous decision.

9. Energy Committee Calendar and Project Planning for 2025 – Preliminary discussion. Cliff passed out a table for projects in the coming year. We need to prepare to discuss at the March meeting. Kristen said the Sustainability Committee would like to come to the Energy Committee meeting. Will ask to come to the April 9 meeting.
10. EV Charger CIP Project Update – support at SelectBoard and Deliberative Session; Funding Prospects (*Attachment: Draft Workplan and Calendar template*). No more work to do until after the March 11 town vote.
11. Potential Impact of Federal Executive Orders and Policies on current and prospective projects. (*Attachment: Seacoastonline article from 2/11/25*). There have been no decisions made on impact of the freeze on federal grant spending. Will keep up to date when know more.
12. Other Business / Follow up/
  - Joint EC - SAC meeting – possible dates and topics
13. Next meeting agenda items
  - Windowdressers – Exeter/Seacoast 2026
  - Continue discussion on Calendar and Project Planning;
  - Other
14. Adjourn – 4:40 by unanimous consent



# EXETER ENERGY COMMITTEE

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Hon. Michael Vose, Chairman  
Science Technology and Energy Committee  
LOB Room 304  
House of Representatives  
Concord, New Hampshire, 03301

**RE: HB 760, relative to utility default service**

Dear Chairman Vose and Members of the Committee:

On behalf of the Exeter Energy Committee I am writing to express support for House Bill 760. As introduced, the bill will clarify the limited purposes for which utility default service exists, and require that under-collections of default service costs be attributed only to the customers receiving that service, and not customers that are receiving their power through third party and Community Power providers.

HB760 makes simple and common sense corrections to recent directives from the PUC pertaining to default service purchasing. The PUC guidance encourages investor-owned utilities to procure from 30% to 100% of their required energy supplies through commodity markets, representing a radical and risky change from past practice whereby utilities procured all of their default service needs in fixed price contracts.

Presumably this change was made in the hopes of yielding lower prices for default service by avoiding the “risk premium” paid for a long term fixed price supply. However, the PUC is proposing that any default service energy cost overruns caused by this new approach be recovered by shifting them to system wide charges paid by all utility customers, thus forcing customers in Competitive and Community Power programs to subsidize default supply cost overruns. This setup appears to create an incentive for utilities to under-price default service rates since losses can be shifted system wide in subsequent rate periods. The net result of these changes is likely to be greater instability in electric energy prices and an anticompetitive environment for competitive energy supply programs, precisely the opposite of what the State’s energy policy calls for.

Exeter’s Community Power program has made a significant, tangible, positive impact in our community. With this program, our single community has realized approximately \$1.3M in energy supply savings, equivalent to over \$400 savings per customer, since 2023 . It has also given our residents and businesses more options for renewable energy, more transparency about rates and more choices in their energy supply.

Community Power has been a win-win for our Town and 50+ more like us across the state. We urge you to support HB760 to help sustain these gains and ensure the ongoing viability of electric aggregation in New Hampshire.

We appreciate your consideration and your service.

Sincerely,

Cliff Sinnott, Chair  
Exeter Energy Committee

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Twenty Five*

AN ACT relative to utility default service.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1       1 Electric Utility Restructuring; Restructuring Policy Principles; Universal Service. Amend  
2 374-F:3, V(c) to read as follows:

3           (c) Default service should be designed to provide a safety net and to assure universal  
4 access and system integrity, ***minimize customer risk, not unduly harm the development of***  
5 ***competitive markets, and mitigate against price volatility without creating new deferred***  
6 ***costs.*** Default service should be procured through the competitive market and may be administered  
7 by independent third parties. Any prudently incurred costs arising from compliance with the  
8 renewable portfolio standards of RSA 362-F for default service or [~~purchased power agreements~~]  
9 ***purchases of power, capacity, and ancillary services to serve default service*** shall be  
10 recovered through [the] default service [~~charge~~] ***charges.*** ***To the extent there are separate utility***  
11 ***default service rates, the costs to serve customers on those separate default service rates,***  
12 ***including any prior period under- or over- collections, shall be recovered through the***  
13 ***respective future default service rates over no more than one year.*** The allocation of the costs  
14 of administering default service should be borne by the customers of default service in a manner  
15 approved by the commission. If the commission determines it to be in the public interest, the  
16 commission may implement measures to discourage misuse, or long-term use, of default service.  
17 Revenues, if any, generated from such measures should be used to defray stranded costs.

18       2 Repeal. RSA 374-F:3,V(d), (e) and (f), relative to electric utility restructuring policy principles  
19 regarding universal service, are repealed.

20       3 Effective Date. This act shall take effect upon its passage.



December 17, 2024

## **Changes to Investor-Owned Utility (IOU) Supply Procurement Methodology**

### *New Regulatory Method to Increase Rate Volatility*

Eversource, Unitil, and Liberty Utilities, at the direction of the Public Utilities Commission (PUC), are adopting a new approach to power supply purchasing and rate setting for the period effective February 1 – July 31, 2025.

The new method reduces rate stability by shifting risk from power suppliers to retail customers, resulting in over- or under-collections that will impact future ratepayers. The PUC is also directing utilities to shift any costs from this change away from customers purchasing utility supply to everyone, including competitive supply and Community Power customers. The resulting cross-subsidization of utility supply customers by non-utility supply customers goes against the long-standing ratemaking principle of cost causation, in other words, not charging customers for costs they had nothing to do with.

### **How Did IOU's Procure Power Previously?**

Up until now, investor-owned utilities (IOUs) have been required to provide default power supply as a "safety net" for customers by purchasing six months of fixed-price electricity from a supplier with the lowest bid, guaranteeing a rate for the term. Under this traditional model, the competitive supplier that wins the bid wears the risk of guaranteeing the power at a fixed price while operating in the dynamic and sometimes volatile electricity commodity market. As a result, utility default supply rates include some "risk premium" to cover the risk borne by the supplier as a tradeoff to protecting customers from daily, weekly, and monthly price swings. Six-month rate periods typically run from February through July and from August through January.

### **What is the New Method for IOU Procurement?**

For the upcoming February through July period, Eversource and Unitil will only purchase 70% of the power for small residential and commercial customers at a fixed price while leaving the remaining 30% exposed to spot prices in the commodity market. Liberty Utilities will lock in 50% of its small customer purchases at a fixed rate while leaving the rest open to commodity market pricing.

Under this new regulatory framework, regulators and utilities estimate what pricing in the commodity market will be for Eversource and Unitil's 30% exposures and Liberty's 50% exposure during the upcoming six-month period. There are three potential outcomes:

1. Rates are set accurately: at the end of the six-month period, customer payments have covered the costs incurred to supply their power.

2. Rates are underpriced: at the end of the six-month period, market prices have resulted in higher costs than what was collected from customers. These higher costs are passed on to future ratepayers through increases in future rates.
3. Rates are overpriced: at the end of the six-month period, market prices resulted in lower costs than what was collected from customers. These lower costs are passed on to future ratepayers through reduced rates.

While all three scenarios are possible, CPCNH is concerned that increased volatility will be passed onto future customers for the costs of previous utility default supply service customers. CPCNH is especially concerned with the possibility that competitive supply and Community Power customers will have to pay for costs that are related to a product they were not using.

### Non-Utility Customers to Subsidize Under-Collections of Utility Customers

The PUC has directed Eversource and Unitil to propose approaches for shifting higher costs away from the utility supply customers and moving those costs to all distribution customers. If this cost-shifting approach is implemented, customers in the competitive market (competitive supply customers, community power customers) will subsidize the cost of under-collections from Eversource and Unitil default supply through an increase in utility distribution rates.

Regulators are directing that higher supply costs be socialized to all customers through increases in distribution rates while lower costs from reductions to the cost of Renewable Portfolio Standard compliance be remitted as credits to utility supply customers only. This means that the utility default supply rate is being selectively lowered by the PUC by treating reconciliation of two types of costs differently. This is anti-competitive, and forces competitive market and community power customers to pay for utility supply costs in addition to their chosen supply option.

### How Does this Compare to How CPCNH Buys Power and Sets Rates?

Community Power Coalition of New Hampshire (CPCNH) actively manages a portfolio of wholesale power contracts in accordance with our [Energy Portfolio Risk Management Policy](#) and [Regulations](#). On an ongoing basis, CPCNH forecasts the expected electricity load of our customers based on historical usage patterns and purchases forward contracts for power at fixed prices. This strategy allows CPCNH to lock in prices for future supplies of power, mitigating the impact of price spikes in the commodity market. Our policies and regulations require that we fix certain percentages of our power portfolio as forward hedges, limiting the amount our customers may be exposed to market price swings.

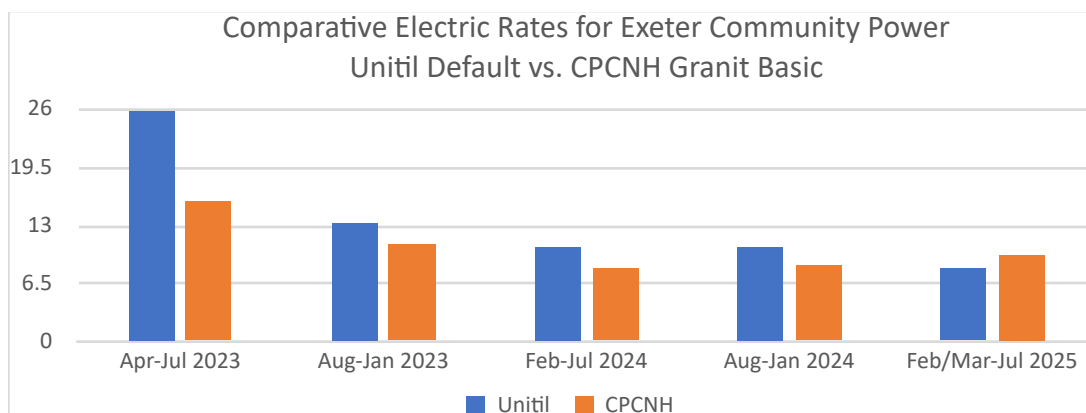
CPCNH calculates our revenue requirement as the sum of our expected power supply costs, operating costs, and costs to accrue financial reserves according to our [Retail Rates Policy](#).

MEMO TO: Exeter Select Board  
FROM: Cliff Sinnott, Chair  
Exeter Energy Committee  
DATE: February 14, 2025  
SUBJECT: Community Power Rate Increase

The Community Power Coalition of New Hampshire (CPCNH) announced a new rate increase on January 31<sup>st</sup> that will go into effect on March 1<sup>st</sup>. It will set the new 'Granit Basic' default electric rate for the next 5 months at 9.7 cents/kWh. This is an additional increase of 0.8 cents above the semi-annual rate (for Feb 1-Jul 31 2025) of 8.9 cents that was set in January. For the average residential customer, the new rate will raise their monthly electric bill by about \$7 compared to the prior CPCNH default rate of 8.6 cents. The purpose of this memo is to provide some additional background to these increases and some thoughts about what we may expect going forward.

According to the CPCNH statements, as well as information from Nick Devonshire, Exeter's representative on the CPCNH Board, these rate increases result from several factors. The initial increase from the prior rate of 8.6 cents/kWh to 8.9 cents was caused by higher electric energy costs due primarily to seasonal increases in wholesale natural gas prices. The second increase from 8.9 to 9.7 cents was due to a specific cause: the falling through of a significant power purchase agreement with a local New Hampshire generator. This agreement would have provided roughly 30 percent of CPCNH's total energy needs at a very competitive price for the ensuing 6 month contract period. Without it, CPCNH had to secure replacement energy supply contracts during a period of high prices driven by recent cold temperatures and high demand.

We note that, for the first time since the Town joined community power (April 2023) the new CPCNH default rate will be higher than the equivalent Unitil default rate, now set at 8.3 cents/kWh. The good news is that this relative price increase compared to the utility default was caused by a specific contracting issue and is likely to be only temporary. CPCNH's objective, and their track record, has always been to offer default electric energy rates at or below that of the utility default. We expect that this will be true again after this current 5 month rate period is over.



Over the long term we expect CPCNH to offer the lowest cost of electricity in New Hampshire, but this won't be true for every rate period. It is also a reminder that Exeter Community Power customers are free to purchase their electricity from any source and are not bound to purchase from CPCNH. Unlike with many power providers, CPCNH customers can move back to the utility default or to another energy supplier at any time with no penalty (with a 1-2 month changeover time).

Community Power through CPCNH has been a huge success both for Exeter and statewide. Since its inception, CPCNH default electric rates have consistently been lower than the utility equivalents,



averaging 15.3% savings since 2023. Exeter customers have saved over \$1.3M in energy costs in the 20 months of operation and statewide the saving has been over \$20 million. As a result many other towns have joined the coalition, growing from 10 when we joined in the first group to over 50 communities now. About 200,000 electric customers in New Hampshire now get their power from CPCNH. There are other benefits for customers as well including the ability to choose a higher percentage of renewable energy in their electric supply, and freedom from lock-in contracts and 'teaser' sign-up rates. In addition, communities benefit from the establishment of a joint reserve fund which builds over time and can be used both to cushion energy price fluctuations and to fund future local renewable energy projects.

Despite the rate increase news, the Community Power Coalition of New Hampshire has been a true win-win for Exeter and the State and Exeter can be proud to be one of its founding members.

## Electricity Supply Rates for Residential, General Service, and Outdoor Lighting Customers

Power Options		Renewable Content <sup>†</sup>	Rate (¢/kWh)	Estimated Cost per Month*
Community Power Coalition of New Hampshire	Clean 100	100%	13.1 ¢	~ \$85
	Clean 50	50%	11.1 ¢	~ \$72
	Granite Plus	33%	10.4 ¢	~ \$68
	Granite Basic	25.2%	9.7 ¢	~ \$63
Utility Default Supply Rates	Eversource	25.2%	8.929 ¢	~ \$58
	Liberty		8.416 ¢	~ \$55
	Unitil		8.306 ¢	~ \$54
	NH Electric Co-op		8.108 ¢	~ \$53

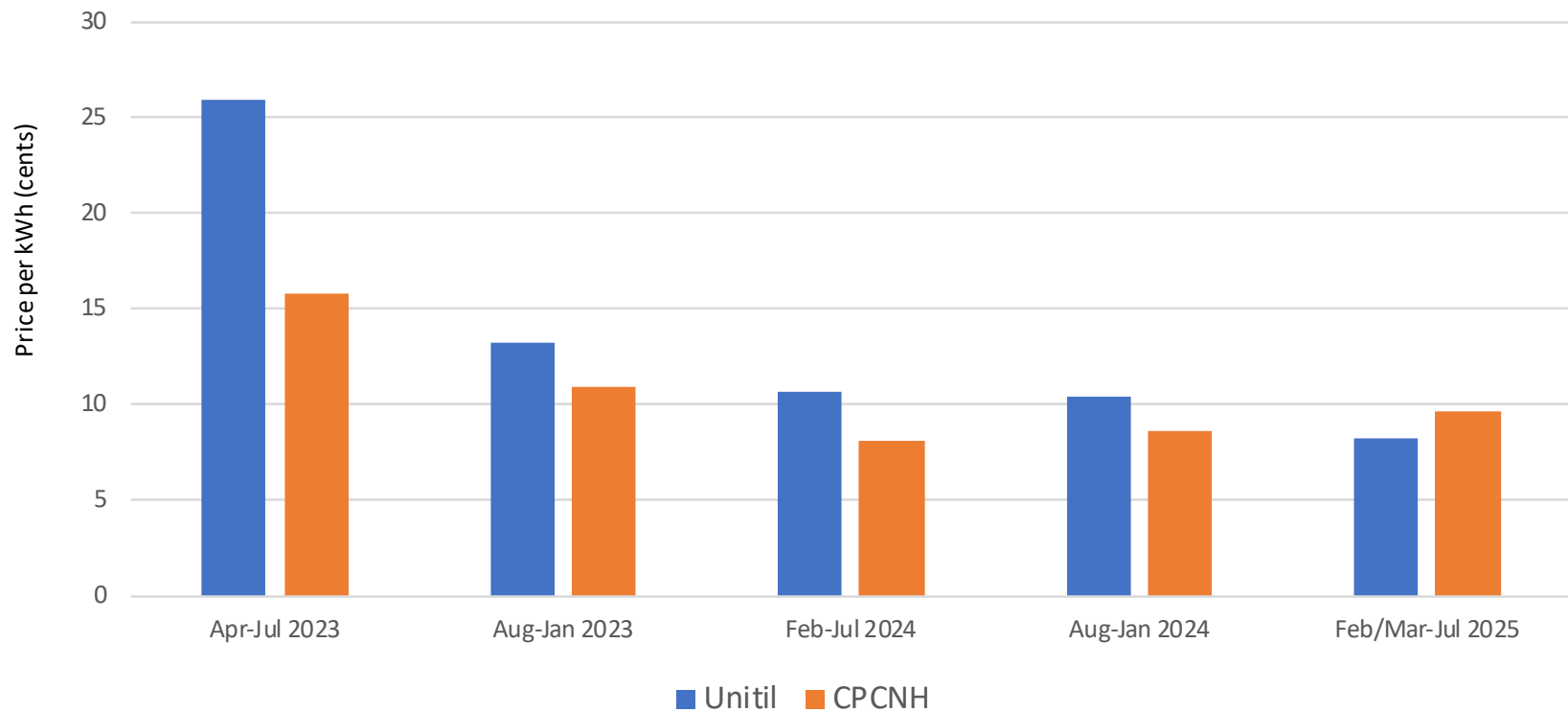
\* Estimated cost based on average household usage of 650 kilowatt-hours (kWh) per month for energy supply only.

<sup>†</sup> Total renewable content reflects NH RPS target. In prior years, the target has been administratively reduced by the NH DOE. For example, the 2023 RPS target of 23.4% was reduced so that the actual renewable content for RPS was 15.9%.

Community Power expands competition and product options for ~ 200,000 electric customers in New Hampshire. From launch in April 2023 through July 2025 CPCNH's Granite Basic will have averaged supply savings of:

- ⚡ 15.3% savings relative to Unitil
- ⚡ 12.3% savings relative to Liberty Utilities
- ⚡ 8.7% savings relative to Eversource
- ⚡ >1% difference relative to NH Electric Co-op

### Comparative Electric Rates for Exeter Community Power Unitil Default vs. CPCNH Granit Basic



# Rates Over Time (Utilities, Brokers, CPCNH) April '23-July '25

