

CITY OF PORTSMOUTH NH

Portsmouth Energy Advisory Committee Meeting

Wednesday, March 6, 2024

NOTES

Attending: Councilor John Tabor, Councilor Kate Cook, Tom Rooney, Ben D'Antonio, Kevin Charette, Peter Somssich, Tracey Cameron, Betsy Blaisdell, Councilor Kate Cook, Herb Lloyd. Staff: Peter Britz, Stephanie Seacord (recording secretary).

Video recording: https://www.youtube.com/watch?v=XMhg_vPXubA

1. **Councilor Tabor called the meeting to order at 6:30 pm** – Congratulated three new Committee members on their appointment.
2. **Roll call.**
3. **Minutes for February 7, 2024 meeting** – Approved on a motion from Kevin Charette, seconded by Peter Somssich.
4. **CPCNH Update** – Councilor Tabor noted that Kevin's term on the CPCNH Board is ending in April and he will be stepping down from CPCNH but remaining on PEAC. He thanked him for bringing his industry-side expertise to the Coalition and for serving Portsmouth and the PEAC so well. Tom Rooney will become Portsmouth's ~~Member Representative to~~ ~~representative to~~ the Coalition Board (~~not on the Board~~)(~~but not as Vice Chair~~). Kevin then provided highlights from the complete CEO report in the meeting packet as an introduction for the new PEAC members and as an update (powerpoint slides: [Microsoft PowerPoint - CPCNH Update KTC 030624 \(cityofportsmouth.com\)](#))
 - a. **CPCNH is in a good place to help shape NH's energy future**, with a strong seat at the table. Since launch, CPCNH has a 10 month track record of taking advantage of competitive markets to keep rates low and stable for member customers. The Coalition has successfully balanced the interests of small towns and large communities closer to Concord by giving them equal seats at the table. Education – demystifying energy rates and raising community understanding of the benefits they derive as members – including collaboration with other member communities -- is an important priority.
 - b. **CPCNH has made progress on the first 3 of 4 pillars of CPCNH:**
 1. Lower rates and stability
 2. Consumer choice including proportion of renewable energy sources and, in the future, more sophisticated time and use options
 3. Local control – net revenues go to reserves that will be controlled by each town once ~~basic debt service is covered~~ (180 days of operating ~~expenses are covered~~ funds). Reserves help protect rate stability when used to mitigate spikes, ~~help allow the original consultants who donated their time to be paid and also give~~ the Coalition's a credit rating ~~and help finance projects in the future~~ basis.
 4. Clean energy – eventually CPCNH can drive and finance collaborative energy projects. The net metering issue is not yet resolved.
 - c. **CPCNH expects to bring membership to 25-35 communities (towns/counties) in 2024.** Portsmouth was the 19th to join (2022) and 11th to go live (2023). As of the meeting there were 16 live members (90k customers) with another 12 set to go live in March. Others are starting the conversation now that they see there's no real downside. Why not join? Concord and Manchester are getting closer.
 - d. **CPCNH has assembled a crackerjack team** including ~~CEO~~ Brian Callnan ~~former executive~~ ~~CEO~~ from NH Electric Coop with expertise in power supply, ~~Director~~ and Henry Herndon who

continues to travel all over the state providing member relations along with Directors of Regulatory and Legislative Affairs and Administration. A Director of ~~The new Programs & Projects person~~ is expected to start within the month and an Energy Analyst. Team also includes energy analyst and former power supply contractor Clifton Below working on modeling for large commercial customers. Other members of the team Resilient Buildings Group, B-fresh PR, Ascend (rate risk management), River City Bank (experienced in CA community power coalitions) and Calpine (retail management including call center) among other partners. Councilor Tabor noted the board and team are working towards the model of other mature aggregators eg Cape Cod – 25 towns. CPCNH will have its first financial audit, soon, by Berry Dunn.

- e. **Rates for 2/1-7/31** were set a bit lower than expected to remain lower than Eversource whose rate includes an adjustment that lowered their expected 9.7 cent rate to 8.2. So CNCNH went to 8.1 but that put some pressure on the financials and left less headroom for reserves for the period. CPCNH power supply portfolio risk management pCPCNH.org goes out for procurement after the utilities set rates in Dec (and Jun) and ladders out the procurement hedge 6, 12 or 18 months as prudent. Herb asked about rates for larger customers. No reason for CPCNH not to be at the table eventually; but some very large customers go straight to the wholesale market versus a third party supplier.
- f. **2023 Year End Reserves:** on revenues of \$43 million = \$6.3 million with a net margin of 5.5 million. Have 29 days of operating funds. 2024 budget is \$101 million with \$17.6 million in reserves and 10.9 margin. (Note: budget before 8.1 cent rate was set.) CPCNH has saved Portsmouth ratepayers \$1.065 million over what they would have paid Eversource for power. Betsy noted it would be useful to add a “carbon emissions reduced” figure to that benefit.

CPCNH Pro Forma Income Statement														Fall Rate
(Actuals through December 2023)														Period
(\$Million(MM))	2023	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AUG '23- JAN '24
Revenue	\$43.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5	\$5.5	\$8.7	\$8.7	\$5.5	\$4.2	\$4.2	\$6.1	\$36.1
Cost of Goods Sold	\$34.3	\$0.0	\$0.0	\$0.0	\$0.0	\$1.7	\$3.4	\$4.7	\$5.6	\$4.8	\$4.3	\$4.3	\$5.4	\$30.4
Gross Margin	\$9.2	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$1.2)	\$2.1	\$4.0	\$3.1	\$0.7	\$0.0	(\$0.2)	\$0.7	\$5.7
Operating Expense	\$3.3	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2	\$0.4	\$0.4	\$0.4	\$0.3	\$0.3	\$0.4	\$0.4	\$2.1
General and Administrative	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.5
Net Margin	\$5.5	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.2)	(\$1.4)	\$1.7	\$3.5	\$2.7	\$0.4	(\$0.4)	(\$0.6)	\$0.3	\$3.1
Joint Reserves (End of Month)	\$6.3	\$0.2	\$0.2	\$0.2	\$0.2	(\$1.1)	\$0.5	\$4.0	\$6.7	\$7.1	\$6.7	\$6.1	\$6.3	\$7.1
Retail Sales (GWh)	335.7	0.0	0.0	0.0	0.0	3.4	35.6	55.8	56.2	51.4	39.8	38.9	54.6	311.5
CPA Accounts Served (000)	91.6	0.0	0.0	0.0	0.0	8.6	60.6	74.6	72.9	71.1	70.7	68.8	91.6	91.6
Reserve Operating Days	29	0	0	0	0	(9)	3	20	39	46	42	31	29	42

CPCNH Operating Budget (Draft)															
(January 1, 2024 - December 31, 2024)															
(\$000)	2024	2023 (est.)	Y/Y %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Revenue	\$10,700	\$44,911	126%	\$7,414	\$6,809	\$7,034	\$7,465	\$7,131	\$7,637	\$8,908	\$10,928	\$10,534	\$8,912	\$8,920	\$10,008
Energy, Capacity and Ancillary Costs	\$77,378	\$33,068	134%	\$6,077	\$4,309	\$5,891	\$5,009	\$5,465	\$5,477	\$6,953	\$8,933	\$7,118	\$6,683	\$7,111	\$8,353
RPS Obligations and Voluntary RECs	\$6,909	\$2,077	233%	\$487	\$435	\$598	\$498	\$549	\$572	\$736	\$723	\$564	\$525	\$565	\$657
Cost of Goods Sold	\$84,287	\$35,145	140%	\$6,564	\$4,744	\$6,489	\$5,507	\$6,014	\$6,049	\$7,689	\$9,655	\$7,682	\$7,207	\$7,676	\$9,011
Gross Margin	^(c) \$17,413	\$9,766	78%	\$850	\$2,065	\$545	\$1,958	\$1,118	\$1,588	\$1,219	\$1,273	\$2,852	\$1,704	\$1,244	\$997
Load Serving Entity Services	\$477	\$277	72%	\$34	\$31	\$41	\$35	\$38	\$40	\$49	\$49	\$39	\$37	\$39	\$45
Other Contractor Services	\$3,195	\$2,460	^(b) 30%	\$263	\$232	\$264	\$270	\$309	\$277	\$271	\$271	\$271	\$260	\$253	\$253
Member Services	\$269	\$210	28%	\$62	\$14	\$12	\$29	\$62	\$12	\$23	\$9	\$10	\$25	\$6	\$6
Salaries, Benefits and Emp. Taxes	\$1,717	\$419	^(d) 310%	\$107	\$129	\$129	\$136	\$136	\$137	\$245	\$138	\$138	\$144	\$139	\$139
Other (Purchase of Receivables, etc.)	\$718	\$314	128%	\$53	\$49	\$50	\$53	\$51	\$54	\$62	\$76	\$74	\$62	\$60	\$70
Operating Expense	\$6,377	\$3,680	73%	\$520	\$455	\$497	\$524	\$596	\$521	\$651	\$542	\$531	\$528	\$500	\$513
Office, Insurance and Other	\$90	\$43	111%	\$10	\$18	\$10	\$5	\$9	\$5	\$5	\$5	\$5	\$5	\$5	\$5
General and Administrative	\$90	\$43	^(e) 111%	\$10	\$18	\$10	\$5	\$9	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Net Margin	^(f) \$10,946	\$6,044	81%	\$320	\$1,592	\$38	\$1,429	\$513	\$1,062	\$563	\$725	\$2,315	\$1,171	\$739	\$479
Joint Reserves (End of Month)	^(g) \$17,610	\$6,720	162%	\$7,036	\$8,623	\$8,657	\$10,081	\$10,588	\$11,646	\$12,204	\$12,924	\$15,235	\$16,401	\$17,135	\$17,610
Retail Sales (CWh)	^(h) 1,001	340	194%	71	63	87	72	80	83	107	105	82	76	82	95
CPA Accounts Served (000)	122	90	36%	90	90	^(a) 122	122	122	122	122	122	122	122	122	122
Reserve Operating Days (min target 60)	⁽ⁱ⁾ 73	63	17%	66	68	62	61	62	63	64	71	73	74	73	

CPCNH Community Benefit Report* (DRAFT)								
Launch to Date, Through December 31, 2023								
Member	Launch Date	Total Revenue (\$000)	Total Costs (\$000)	Joint Reserves (\$000)	Discr. Reserves (\$000)	Customer Savings (\$000)	Community Benefit (\$000)	Community Energy (MWh)
Canterbury	5/23	\$429	\$377	\$52	\$0	\$105	\$157	3,348
Cheshire	9/23	\$57	\$63	(\$6)	\$0	\$8	\$2	518
Dover	10/23	\$747	\$855	(\$108)	\$0	\$114	\$6	6,804
Enfield	4/23	\$1,020	\$907	\$113	\$0	\$236	\$349	8,042
Exeter	4/23	\$4,045	\$3,413	\$632	\$0	\$1,412	\$2,044	30,361
Hanover	4/23	\$1,798	\$1,625	\$173	\$0	\$343	\$516	14,030
Harrisville	4/23	\$221	\$190	\$30	\$0	\$37	\$67	1,662
Lebanon	4/23	\$4,599	\$4,371	\$228	\$0	\$1,155	\$1,383	38,831
Nashua	4/23	\$19,619	\$16,467	\$3,152	\$0	\$3,772	\$6,924	146,807
Peterborough	4/23	\$1,495	\$1,274	\$221	\$0	\$225	\$446	11,006
Plainfield	4/23	\$455	\$399	\$56	\$0	\$82	\$138	3,460
Portsmouth	5/23	\$6,323	\$5,656	\$667	\$0	\$1,065	\$1,732	50,389
Rye	4/23	\$1,616	\$1,371	\$244	\$0	\$293	\$537	12,230
Walpole	4/23	\$1,035	\$921	\$114	\$0	\$234	\$348	8,226
CPCNH		\$43,459	\$37,889	\$5,568	\$0	\$9,081	\$14,649	335,715

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g. Repeat text Reserves: on revenues of \$43 million – \$6.3 million with a net margin of 5.5. Have 29 days of operating funds. 2024 budget is \$101 million with \$17.6 million in reserves and 10.9 margin. (Note: budget before 8.1-cent rate was set.) CPCNH has saved ratepayers \$1.065 million over what they would have paid Eversource for power. Betsy noted it would be useful to add a “carbon emissions reduced” figure to that benefit. – delete

h.g. Customer choice: PEAC decided to go with the lowest – Basic – rate/renewables proportion at launch while explaining the opt-out model. 3 of 16 Other towns went with higher rates/renewables. Education is still needed to explain and encourage opting-up. Per the legislation new customers must default to Eversource and then receive the mailing about Portsmouth Community Power and the choice to opt-out. Messaging: first save money, then ‘do your part and opt-up.’ Councilor Cook asked if CPCNH is tracking and lobbying the State reps for coalition towns on bills affecting power aggregation. The critical mass of growing membership can have a positive influence. Kevin noted the Coalition Legislation & Regulatory Committee tracks relevant bills (see the Meeting Packet for information on the 20 bills being

tracked; refer those bills to City's Legislative Subcommittee) Councilor Tabor commented that while the utilities have a strong lobby, CPCNH is a counterweight and things can happen because of the broad coalition. Peter and Ben "defended" the utility as they make no money from the power supply and are mandated to get the cheapest rate, only make money from the transmission infrastructure.

5. **Federal GRIP grant application** – Ben reported discussing the opportunity with Cliff [Below \(Board Chair\)](#) and the proposal is to build an energy data hub ~~to enable as~~ the utilities ~~to do not~~ share actionable data [in a common format](#) from all customers [to interested parties like CPCNH, CENH, energy efficiency vendors, etc.](#) They need some specific examples of projects that would benefit, especially underserved populations, from having such data. Can Portsmouth say, 'the City would launch this initiative if we had the customer data'? Yes: Portsmouth Housing Authority wants to benchmark their energy use to make their buildings more efficient but not all buildings are master metered and they can't get their residents' utility data. Peter Britz also cited the difficulty in making a City greenhouse gas inventory so the Climate Action Plan can set and track reduction targets. Councilor Cook and Councilor Tabor will present a resolution regarding these actions to City Council if that would help with the application (due mid May). Peter B and John T will meet to discuss, with Ben if needed.
6. **Seacoast Green Power Challenge** – Councilor Cook asked if Portsmouth, through PEAC, would like to participate in the challenge with Durham, Dover and Rye to see how many customers can opt up to Clean 50 and Clean 100. Peter Somssich suggested messaging, "everyone can do something by giving/paying a little bit more.' On a motion made by Tom to accept the Seacoast Green Power Challenge on behalf of Portsmouth, seconded by Peter Somssich, PEAC voted unanimously in favor.
7. **Community Solar** – Councilor Tabor reported a phone discussion with Kate Homet from the Planning & Sustainability Department and Glen Weinberg from Jewel Assets on small town aggregated solar (5-8 mgw solar farms). There is a limited supply of solar fields seeking participants. Peter asked 'who builds them and who benefits?' Councilor Tabor reported the model where a developer builds the solar farm, sells power to the customers and sells RECs to corporations who use them as tax deductions. Betsy, who works in this arena, to compare enabling legislation in Maine compared to NH's more limited legislation and whether there is any solar available. 3-8 mgw projects support 1,000 customers so Portsmouth would need 10 solar farms to serve the 12,000 electric customers in Portsmouth Community Power. Glenn suggested that to receive the full environmental benefit, the City of Portsmouth should partner with a solar developer to build on City land, and give all the RECs to the City. Councilor Tabor asked for interest in a Community Solar Working Group subcommittee to investigate all aspects including partner options, available land. Committee volunteers: Peter S, Betsy, Herb. Kevin suggested getting Cliff on a Zoom meeting to discuss the enabling legislation that CPCNH is following. Also Coalition Treasurer works for ReVision.
8. **Federal Energy Efficiency block grants** – Tracey noted that Exeter just received a \$200,000 grant from the Department of Energy to install energy efficiency upgrades. Portsmouth Housing Authority might benefit similarly as there are not a lot of programs being implemented in NH. She and Councilor Cook will investigate. Councilor Cook noted that the Legal Department was investigating how to set up a trust fund for low income residents to use for energy efficiency home improvements but the discussion was held up in trying to figure out how the Welfare Department would administer the distribution of CDBG funds. Tom suggested that Clean Energy NH might be helpful. Herb asked if Inflation Reduction Act funds might be appropriate for school and other government building energy efficiency projects such as windows, insulation, heat pumps. Working group: Councilor Cook, Tracey, Tom.
9. **No public comment.**
10. **Next meeting** April 3, 2024 at 6:30 pm with followup reports on:
 - a. Community solar and project developer projects
 - b. Federal energy block grants
11. **Adjournment** at 8:17 pm on a motion from Peter seconded by Tracey.

Next meeting: Wednesday, April 3, 2024 at 6:30 pm.