



TOWN OF SALEM, NEW HAMPSHIRE

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Community Development Department

MEMORANDUM

TO: Town Council
CC: Joe Devine, Interim Town Manager
FROM: Crayton Brubaker, Community Development Program Manager
RE: Community Power Program Further Information
DATE: June 7, 2024

Recommendation: Accept this report; and provide direction to Town staff as to whether to proceed in discussions and drafting of documents / resolutions to participate with either Community Power Coalition of New Hampshire (CPCNH) **or** Freedom Energy Logistics and Colonial Power Group's (FEL / CPG) Community Choice Aggregation Program (CCAP).

Background: Community power programs, such as CPCNH or FEL / CPG's CCAP are an alternative to a default electric provider, such as Liberty Utilities. These programs are managed by entities allowed under RSA 53-E. These programs typically provide cost savings to rate payers on the supplier portion of an electric bill.

In communities that have community power programs, default electric providers are still responsible for sending out utility bills. In the Town of Salem, this is Liberty Utilities. The 'electric supplier' charges on the utility bill would no longer show as from Liberty Utilities and would instead reference the adopted Salem community power program.

These programs typically use an 'opt out' model. If a community power program was adopted, any Salem utility rate payer would be able to easily opt out of the program and remain with Liberty Utilities. Information on how to do this is typically readily available as a part of the public outreach portion of program adoption. There is no penalty or charge for opting out.

RSA 53-E outlines that an Electric Aggregation Committee would need to be formed to develop the Electric Aggregation Plan, conduct public outreach, etc.

Adoption of a community power program requires approval at a Salem Town Meeting. Given the current timing and steps required in the process, a consideration for adoption at the March 2025 Town Meeting would be a challenging timeline and a March 2026 Town Meeting consideration would be much more feasible. To start this process, it is recommended that the Town Council provide Town staff with direction as to which candidate the Town should move ahead with.

Community Power Coalition of NH (CPCNH): On January 8, 2024, the Town Council heard a presentation from Henry Herndon from CPCNH regarding their community power program. The CPCNH is a non-profit organization created under RSA 53-E. Over 50 municipalities and 2

counties are in either the planning, launching, or operating stages of joining CPCNH. CPCNH has significant resources to assist the Town / eventual Electric Aggregation Committee (EAC) with public outreach and plan development for the Electric Aggregation Plan (EAP) that would be adopted by the Town and presented to the Public Utilities Commission.

If Salem joined CPCNH, the Town would appoint a member representative and alternate to represent Salem. The Board of Directors is elected from among the member towns; Salem would not be guaranteed a seat on the Board of Directors. The Board of Directors oversees the CPCNH governance and budget, sets electric rates, and oversees the Chief Executive Officer. There are several subcommittees under the Board of Directors listed on the CPCNH website that Salem could likely get representation on.

Electric rates at CPCNH are set every six months. The default CPCNH electric rate is the same for all municipalities within CPCNH. There is no guarantee that CPCNH would always have electric rates lower than the default electric provider; however, the historical rates over the past several cycles have been lower than default electric providers.

Municipalities may elect to increase the amount of renewable or green energy for a certain premium, if they would like; however, there is no requirement for that, and other communities cannot impose those choices or premiums in Salem. Individuals may also elect to receive the increased renewable / green energy supply. Those decisions would be for the individual ratepayer alone and would not affect other ratepayers.

Freedom Energy Logistics and Colonial Power Group's (FEL / CPG) Community Choice Aggregation Program (CCAP): On April 1, 2024, the Town Council heard a presentation from Bart Fromuth and Stuart Ormsbee regarding their community power program. FEL / CPG provide energy consulting services in multiple New England states. In New Hampshire, FEL / CPG currently have launched or are working to develop CCAP plans in 8 municipalities. FEL / CPG also have other clients in Massachusetts like the City of Boston, Springfield, Lowell, etc.

In their presentation, local control was emphasized as a benefit in comparison to CPCNH, which they described as a more regional and collectivized purchasing group. In the implementation of the potential CCAP plan, FEL / CPG described themselves as negotiators or consultants on behalf of Salem in purchasing power and would not be dependent on other NH municipalities.

In this model, electric rates are set at the rate negotiated by FEL / CPG and the duration of the contract could be either short or long-term, depending on negotiations and the Town's desires. Like CPCNH, there is no guarantee that the FEL / CPG would always have electric rates lower than the default electric provider.

As described in the presentation, the Town, or individuals, would be able to elect more renewable / green energy for additional premiums. The process to choose this alternative to the default community power options seems similar to CPCNH's described process.

FEL / CPG's fee for negotiation and administration of the program is incorporated into the negotiated rate. The fee was described as 0.1 cents per kilowatt hour in their April presentation.

Summary Table of Major Points:

Community Power Coalition of NH (CPCNH)	Freedom Energy Logistics and Colonial Power Group's (FEL / CPG) Community Choice Aggregation Program (CCAP)
Serves over 50 municipalities in NH; specific programming and resources dedicated to NH	Serves 8 municipalities in NH; plus, multiple communities in other New England states; not specific to NH
Significant experience and resources for public outreach and assistance to the Town as a part of the EAP process / development	Some experience and resources for public outreach and assistance to the Town as a part of the EAP process / development
No guaranteed seat on the CPCNH Board of Directors which sets electric rates; Board of Directors elected by member communities	FEL / CPG negotiates with market for electric rates on behalf of Town; not dependent on any other municipality
No guarantee electric rates will be lower than default provider; historical CPCNH rates have proven to be lower than default provider	No guarantee electric rates will be lower than default provider; unknown historical data of whether rates are lower than default provider
Rates set every six months	Term of contracts dictates how often rates are set

Next Steps: *If the Town Council desires to join the CPCNH*, then the Town Council would need to adopt the Coalition's Joint Powers Agreement (JPA). Adopting the JPA would neither cost the Town any fees, nor establish a firm commitment to fully joining and implementing community power. Once the JPA is adopted, the Town would have access to CPCNH resources and expertise to guide them in the planning process.

The Town Council would then establish an Electric Aggregation Committee (EAC) to conduct public hearings and input sessions, prepare an Electric Aggregation Plan (EAP), and ultimately present the EAP to first the Town Council for vote and then to a Town Meeting for a final vote. The Public Utilities Commission will then review and approve the EAP.

If the Town Council desires to proceed with the FEL / CPG Community Choice Aggregation Program (CCAP), the Town would work with the FEL / CPG to establish an EAC which will do the same items outlined above in a similar process, just without adopting a JPA. The Public Utilities Commission would need to review and approve the EAP in this instance too.

Town staff anticipates this process taking at least a year to complete, with final adoption at the March 2026 Town Meeting as a reasonable goal.

The original attachments from both presentations are included in your agenda packet, including: Salem Invitation to Join CPCNH; CPCNH Town Council Presentation; CPCNH New Members Onboarding Checklist; CPCNH Joint Powers Agreement as of 4-21-23; and Freedom Energy Logistics and Colonial Power Group's (FEL / CPG) Town Council Presentation.