



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 Consultant Agreement and Creation of Energy Committee
DATE: July 16, 2024

Recommendation: Accept this report; approve the resolution for the draft community power consultant agreement with Freedom Energy Logistics & Colonial Power Group (FEL / CPG); approve the resolution creating the Energy Committee, establishing the Energy Committee bylaws, appointing two Councilors to the Energy Committee, and sending out the Call for Candidates for the two resident positions for interviews at the September 23, 2024 meeting.

Draft Consultant Agreement: Per the direction of the Town Council at the June 17, 2024 meeting, Town staff met with FEL / CPG to discuss next steps and draft documents related to starting the process of adopting an Electric Aggregation Plan (EAP). The first step of this process is to enter into a Consultant Agreement with FEL / CPG.

The draft Consultant Agreement is included in your agenda packet and outlines the relationship between FEL / CPG as the Town's consultant in drafting the EAP, working with an Energy Committee, and their general scope of services throughout the process.

Notably, the Town does not directly pay FEL / CPG. Their consulting fee is \$0.001 per kilowatt hour (kWh) and will be rolled into the electric rate, once Salem formally launches an initial program.

The Term of the draft Consultant Agreement is for a period of five (5) years. This does **not** require the Town to constantly be in a fixed contract / electrics services agreement (i.e. community power program). So, if Liberty Utilities had a lower rate than the market rate, and the Town was not in a fixed contract, the Town could simply stay on Liberty Utilities as the default until a lower rate in the market became available.

The consultant will be working on the Town's behalf to consistently look for the best available market rate that meets the objectives provided by the Town Council. An objective could be to find the lowest market rate as the default option. Another objective could be to have an alternative option with more renewable energy that consumers could opt in to. These two do not necessarily conflict; the Town Council can provide direction on their objectives to the consultant.

The Term does mean that the Town would not be able to use any other vendor except FEL / CPG for the five-year period. After the Consultant Agreement expires, the Town may choose to continue with FEL / CPG, choose a different broker or organization, or simply return to Liberty Utilities as the default electric provider.

Energy Committee: Per RSA 53-E, in the development of an EAP, the Town would need to create an Electric Aggregation Committee, also known as the “Energy Committee.” This Energy Committee would steer the development of the EAP as the Town’s consultant works to draft the Plan for Town Council and Town Meeting vote consideration. As required by the RSA, the Energy Committee would also facilitate two public hearings / outreach sessions prior to the Town Council consideration of a warrant article and would help spread the word about the Plan development process.

It is recommended that the Town Council establish a five-member Energy Committee consisting of two Town Councilors; two residents, preferably with experience in the energy sector, electric utilities sector, or marketing; and one Town staff member representative from the Town Manager’s Office or Community Development Department.

The Energy Committee is intended to be an advisory committee to the Town’s consultant and to the Town Council in the formation of the EAP. If an EAP is passed at the March 2025 Town Meeting, the Energy Committee would continue to oversee the process of getting approved by the NH Public Utilities Commission and the initial program launch. After the initial program launch, the Committee is proposed to disband.

Further details and timeline of the process of the Energy Committee is included in the attached Energy Committee bylaws. The attached resolution for the creation of the Energy Committee would do the following:

- Establish the Energy Committee
- Approve the draft Energy Committee bylaws
- Issue a Call for Candidates for the two resident positions with an interview date of September 23, 2024.
- Appoint two Town Councilors to serve on the Energy Committee (at the discretion of the Town Council)
- Set the Energy Committee to disband after launch of an initial community power program

Draft Timeline for EAP Adoption at Town Meeting: In discussions with FEL / CPG, it was estimated that March 2025 Town Meeting adoption would be a feasible goal, rather than the originally discussed March 2026 Town Meeting. A proposed timeline is included below:

- Town Council votes to form Energy Committee (i.e. Electric Aggregation Committee) (*Sep 2024*)
- FEL/CPG prepare Community Choice Aggregation Program / Electric Aggregation Plan in coordination with the Energy Committee and pursuant to NH RSA 53-E and rules of the Public Utilities Commission (“PUC”) (*Sep-Nov 2024*)
- Committee holds two public hearings to receive comments on the Plan (*Nov/Dec 2024*)
- Town Council approves Plan and warrant article (*Dec 2024 / Jan 2025*)
- Voters adopt Plan at Town Meeting (*March 2025*)
- FEL/CPG files Plan with PUC for review and approval (*March 2025*)
- PUC approves Plan (*May 2025*)
- Program launch (*Q3 2025, or later if market conditions warrant*)

Attachments:

- Resolution – Approval of Draft Community Power Consultant Agreement with Freedom Energy Logistics & Colonial Power Group
- Freedom Energy Logistics / Colonial Power Group Draft Consultant Agreement
- Freedom Energy Logistics Presentation for 8-5-24 Town Council Meeting

- Resolution – Creation of Energy Committee and Establishment of Bylaws and Call for Candidates
- Energy Committee Bylaws – Draft v1
- Energy Committee Call for Candidates

- June 7, 2024 Memo re Community Power Program Further Information
 - *This is included in your agenda packet for additional information on community power and provides an overview of FEL / CPG and other community power information.*