



11 January 2022

Responses to Additional Questions on the RFI

Be advised that answers to the twenty-seven questions regarding the RFI received after January 4th are provided below; responses to the three questions received prior to this point were provided in RFI Addendum 1 (posted on [CPCNH's solicitations web page](#)).

Note that CPCNH has grouped questions in this addendum together, where appropriate, and issued a single response to the combined inquiries in order to minimize repetition and/or provide more complete context for all respondents.

RFI Responses & Teaming Arrangements

- **Our firm only provides a subset of the services requested in the RFI. Do you mind if we share the RFI with some of our partners who provide complementary services?**
- **Does CPCNH intend to ultimately to award the contract to a single vendor or multiple vendors? If the former, is CPCNH open to partnerships or alliances between vendors? If so, would those alliances need to be established prior to this RFI response?**
- **Will CPCNH consider a 1-week extension for RFI responses?**

CPCNH strongly encourages all prospective respondents to submit responses to the RFI on or before the January 15th deadline.

The RFI is posted on CPCNH's solicitation web page and may be freely shared.

Be advised that teaming arrangements, for the purposes of proposing all requested services rather than a subset of services, are not required or necessary to establish prior to submitting an RFI response. Note that:

- The RFI workbook is designed for individual entities to complete and submit.
- Entities that provide only a subset of the requested services should therefore complete and submit only the sections of the RFI workbook relevant to their services, accompanied by the requested cover letter, description of staffing structure, biographies of key staff and leadership, and any additional relevant marketing materials in PDF format.
- In the event a group of entities would prefer to submit a single, combined response to the RFI, CPCNH would expect each entity on the proposed team to complete the RFI workbook on an individual basis. CPCNH would also expect that one entity would be designated as the prime proposer for the purpose of submitting the combined RFI response, which would include the requested cover letter, the staffing structure and biographies of key staff and leadership for the proposed team of entities as a whole, an RFI workbook for each entity on the proposed team, and any additional marketing materials in PDF format.

For entities that provide only a subset of the requested services and are interested in establishing teaming arrangements in advance of the anticipated RFP issuance, CPCNH has



offered to post the name of entities that opt-in to sharing their contact information on CPCNH's solicitation webpage. Prospective respondents are directed to:

- Refer to the "Entity Information" tab of the workbook "1_CPCNH_RFI Response Tables.xls" accompanying the RFI, which instructs respondents to state whether the respondent's name, primary contact and email address should be posted on CPCNH's solicitation web page to facilitate teaming arrangements with other prospective respondents.
- Answer "Yes" or "No" or provide alternative contact information for public posting in response to this question.

Regarding the potential forthcoming RFP, be advised that CPCNH has no pre-determined intent to award a contract on the basis of whether a proposal is submitted by a single vendor or multiple vendors. A group of entities that submits a proposal to provide all requested services would be expected to integrate and provide the proposed services, and may, for example, propose to utilize the services of a system integration consultant to assist with the implementation. System integration consultants may also choose to submit proposals on an individual basis.

Regardless, as stated in the RFI, CPCNH intends to "reserve the right to alternatively contract independently with some or all of the members of any [team]. CPCNH will reserve the right to self-provide or contract with one or more entities to supplement or alternatively provide some or all of the proposed services to be provided by one or more members of any [team]."

RFI Responses & Confidentiality

- **Will you confirm that the RFI content documents will be kept confidential, but that contact info will be made available for those that specify interest in teaming?**
- **Since this RFI requests information on pricing structure and ranges, what steps will be taken to ensure this information is not transmitted beyond the CPCNH review team? Are you open to a non-disclosure / joint NDA prior to submission, as is customary in similar processes?**

CPCNH directs prospective respondents to refer to pages 10 and 11 of the RFI, which states:

All responses to this RFI, including materials, pre-submittal and post-submittal communications with CPCNH, will become the exclusive property of CPCNH and CPCNH alone will determine the proper use of RFI material. Responses and communications with CPCNH are subject to disclosure in accordance with NH RSA 91-A. Proprietary information, if any, should be minimized and must be clearly marked. To aid CPCNH, please segregate and identify proprietary information.

CPCNH has determined that the public interest will be best served if proposals submitted in response to this RFI are not made available for review by other companies that may participate in the forthcoming anticipated RFP process.

For that reason, RFI responses will not be made available to other respondents or the public earlier than the date on which CPCNH's CPA Board concludes the competitive solicitation process or decides otherwise at its sole discretion.

If at any time CPCNH receives a request to review and/or copy materials submitted by any respondent, and if the person submitting the request files a legal action against CPCNH seeking its release, CPCNH will notify the affected respondent(s) and



will not oppose a motion by such respondent(s) to intervene in the action. The respondent(s) must either intervene or agree to pay CPCNH and its agent(s) legal expenses in defending the action, including fees, if any, awarded to the plaintiff. Absent such an agreement, the CPCNH will have no obligation to defend the action and may release the information sought without any liability whatsoever.

BY SUBMITTING A RESPONSE, PROPOSERS AGREE TO HOLD HARMLESS AND NOT SEEK DAMAGES AGAINST CPCNH, ITS OFFICERS, EMPLOYEES AND AGENTS, OR ANY MEMBER GOVERNMENT OR RECOVERY OF ITS ATTORNEYS' FEES AS A RESULT OF ANY DISPUTE RELATED TO THE RELEASE OR WITHHOLDING OF INFORMATION SUBMITTED IN RESPONSE TO THIS RFI.

One method for identifying proprietary information is to provide an unredacted version of a response along with a version redacting proprietary or competitively sensitive commercial or financial information that is not otherwise in the public domain and in which the provider (or holder) of the information has a privacy interest. The [NH PUC procedural rules](#) at Puc 201.04 explain a method of redaction, while Puc 201.07 explains a method for responding to any public requests for documents and in subparagraph (i) the balancing test that the PUC and others use, based on NH case law, to decide whether or not to release documents or information for which the provider or holder has asserted a privacy interest. CPCNH would be expected to use the same or a similar balancing test, pursuant to case law.

At-Risk Contracting, Banking and Credit Support Requirements

- **What timeframe does CPCNH anticipate between the award of contracted services, and the actual start of service delivery and associated customer revenues?**
- **How will integration and implementation costs be funded?**
- **Are any of the CPCNH members able to provide a guaranty for the loan while CPCNH proves its business model?**
- **What security is being offered for the credit request?**
- **Can you elaborate on the Secured Revenue Account structure and what banking services are needed?**
- **Page 10 of the draft business plan indicates that “CPCNH is assumed to negotiate a credit facility to replace the credit sleeve mechanism provided by at-risk service providers and is subsequently able to draw upon reserves to self-provide credit and collateral requirements”; Please clarify the anticipated timing of executing this credit facility and if the expectation is that it will fully replace the credit sleeve offered by the at-risk providers.**

Be advised that New Hampshire law ([RSA 53-E:5, as amended by House Bill 315](#)) requires that:

Retail electric customers who choose not to participate in an aggregation program adopted under RSA 53-E:7 shall not be responsible for, and no entity shall require them to pay, any costs associated with such program, through taxes or otherwise except for electric power supply or energy services consumed directly by the municipality or county, or incidental costs, which may include costs necessary to comply with the provisions of this chapter up to the time that the aggregation starts to produce revenue from



participating customers, but shall not include any capitalized or operating costs of an aggregation program.

CPCNH's local government members are therefore unable to provide a loan guarantee.

However, CPCNH does anticipate providing a lien on expected future revenues received from the customers participating in member CPA programs. CPCNH also anticipates that customer revenues will be deposited into a Secured Revenue Account (a 'lockbox' or 'waterfall' account structure) managed by a neutral third-party financial institution. CPCNH intends this to function as a credit enhancement mechanism to ensure that contractual obligations are honored and to support the negotiation of more favorable terms with suppliers (e.g., to more closely align payment for electricity with the timing of when revenues are received from customers and minimize credit support costs).

Given the general prohibition on spending or committing taxpayer funds, CPCNH intends to rely on at-risk, deferred compensation contract structures to provide the services and credit support necessary to launch the power enterprise.

Successful respondents would fund integration and implementation costs in exchange for receiving ongoing fees for services and credit support commencing after the successful launch of CPA programs. As indicated by the solicitation schedule included in the RFI, CPCNH anticipates executing at-risk contracts in May-June 2022. The timeline to commence CPA service is subject to a number of factors, including the CPA administrative rule approval process and market conditions. Based on current assumptions, CPCNH anticipates enrolling customers in April 2023 at the latest.

Be advised that CPCNH's at-risk contracting strategy, credit support and accounting structure assumptions are primarily based upon the comparable approach pioneered by the Redwood Coast Energy Authority (RCEA), a Community Choice Aggregation Joint Powers Authority in California. RCEA launched relying upon a credit sleeve and subsequently lowered financing charges through the accrual of financial reserves. CPCNH's cashflow analysis assumed that a credit facility would subsequently replace the credit sleeve mechanism. CPCNH assumed comparable terms for the credit facility based on the more recent experience of the East Bay Community Energy Authority in California (EBCE), which also did not require a guarantee from the Joint Power Authority's member municipalities. The anticipated timing of executing such a credit facility is highly dependent upon future market conditions and CPCNH's financial performance.

CPCNH is interested in innovative financing strategies and proposals. In addition to CPCNH's draft Business Plan, prospective respondents are encouraged to review RCEA's solicitation, along with the winning proposal and three resulting contracts executed to provide the services and credit support required to launch opt-out aggregation services, and EBCE's credit facility agreement, which have been compiled [for reference online here](#).

- **Could CPCNH clarify the requested loan amount and loan terms desired? The business plan summary indicates a \$10 million credit need (pg. 34 in 10/28/21 presentation), yet only \$2.5 million is anticipated to be needed in 2022, followed by \$2 million each in 2023 and 2024.**
- **Would CPCNH consider providing the excel version of the financial pro forma summarized in Exhibit 4 10/28/21 business plan presentation? We are looking for**



more detail on the monthly costs and cash flows to better understand the credit need pre and post launch of operations.

The annual summary metrics referenced on page 34 of the 10/28/21 presentation refer to the \$10 million credit facility assumed in the draft Business Plan and cashflow modeling.

The \$10 million credit facility was assumed to have a cash draw sublimit of \$5 million and a letter of credit sublimit of \$6 million.

The table cited shows that a \$5.58 million letter of credit would be issued in the second year, and that CPCNH's peak cash draw during this year would be \$3.5 million — drawing down a total of \$9.08 million — before repaying \$2 million to settle at a year-end balance of \$1.5 million cash draw. The subsequent year similarly has a peak cash draw of \$3.5 million, which is fully repaid by the end of the year, and no additional cash draws subsequently. This reflects the accrual of financial reserve funds sufficient to self-provide collateral and seasonal cashflow requirements. Note that the letter of credit is used to satisfy ISO-NE Financial Assurance Requirements for CPCNH as a Load Serving Entity throughout subsequent years.

Note that CPCNH financing requirements are subject to membership growth and load assumptions. Refer to CPCNH's draft Business Plan ("Competitive Analysis" chapter, pages 28 to 44) for additional context regarding the cashflow analysis assumptions and results, and refer to the 17 December 2021 cover letter to the draft Business Plan for additional context on CPCNH's membership growth. (Both files are accessible under [RFI Reference Materials](#), in the folder "4_CPCNH draft Business Plan".)

CPCNH may provide the excel version of the cashflow model to qualified respondents to the potential forthcoming RFP.

Regarding invoice/revenue validation (line 42 in the workbook), do you see that as a general accounting function, specific to the area of billing and settlements, or other? Please clarify.

Line 42 refers to a general accounting function. Lines 33 and 34 ("forecasting, scheduling and settlements" and "ISO shadow settlements and dispute resolution", respectively) refer to bilateral and market settlements.

Portfolio Management Services

Regarding forecasting, scheduling, and settlements (line 33 in the workbook), is there an expectation/desire that these services would be provided separately from the entity serving as your ESCO/ CEPS (competitive electric power supplier)?

CPCNH has no pre-determined preference to award a contract for services based on whether a proposal is submitted by an entity that is or is not an ESCO / CEPS (Competitive Electric Power Supplier). CPCNH does expect to receive proposals for these services from entities which are not ESCOs / CEPS.

Does the provision of portfolio and risk management services as contemplated in the RFI hinder or disqualify another branch of a company from offering power supply and/or competitive energy services in the future?

It would not, though CPCNH would evaluate the proposer for conflict-of-interest safeguards.



Metering, Data, Billing & Customer Services

- **Is CPCNH aware of any future change in utility billing approach, i.e., offering bill ready in addition to rate ready?**
- **Can you provide an indication of whether AMI (interval metering) is available, and if so in which areas? If not generally available, will CPCNH have access to data from any utility metering pilots or limited deployments?**
- **In addition to the provisions of HB 315 and the proposed rulemaking, can you provide an update, if any, on utility plans to offer revenue quality interval meter data?**

CPCNH's understanding is that all distribution companies in New Hampshire currently:

1. Offer revenue quality interval meter data for interval-metered customers.
2. Only offer rate ready billing at present.

Links to utility service tariffs are provided below for reference:

- [Eversource Tariff](#)
- [Unitil Tariff](#)
- [Liberty Utilities Tariff](#)
- [NHEC Tariff](#)

As additional context, be advised that:

- CPCNH anticipates serving both interval-metered and non-interval metered customers.
 - The penetration of interval metering does vary by distribution company territory.
 - CPCNH members have been actively engaged in a variety of proceedings, pilot projects and other initiatives related to expanding meter data access and Grid Modernization.
 - CPCNH may prepare a more detailed disposition and outlook regarding metering infrastructure, billing systems, data access and settlement processes by distribution company territory for inclusion in the RFP reference materials.
- CPCNH intends to enable bill ready functionality for CPAs.
 - Public Utilities Commission [Order No. 22,919](#) (issued May 4, 1998) directed the utilities to implement the EDI Working Group's "[Consensus Plan for the Transmission of Electronic Data in New Hampshire's Retail Electric Market](#)", which specifies rate and meter data options that would allow for bill ready functionality, such as three-part Time of Use rates and lump sum billing fields for competitive suppliers. In the intervening two decades, however, the utilities have not implemented the required bill ready functionality.
 - Public Utilities Commission Order No. 26,565 (issued January 10, 2022) has (1) granted CPCNH's Petition for Rulemaking to Implement RSA 53-E for Community Power under docket number DRM 21-142; and (2) adopted CPCNH's draft CPA administrative rules as their initial proposal.



Refer to the [online docket card for DRM 21-142](#) to track the progress of CPA administrative rules going forward.

Note that the [PUC's initial proposal for CPA administrative rules](#) would implement bill ready functionality for CPAs. The relevant excerpt is below:

Puc 2205.16 Billing Services and Purchase of Receivables for CPAs.

...

(d) When a CPA elects to utilize consolidated billing service for any customer, the CPA shall also elect to:

(1) Calculate the charges or credits for electricity supply and services for the customer in accordance with the CPA's customer classes or rate structures, based upon customer usage data provided by the customer's utility, and provide such charges or credits to the utility for presentment on the customer's bill; or

(2) Provide the customer's utility with either:

(a) the custom rate applicable to the customer; or

(b) the non-custom, complete schedule of electricity rates and service pricing options applicable to the customer's class and rate structure.

Additionally, note that proposed Puc 2205.16(c)(2) would allow CPAs to request additional metering, data management, or billing system modifications. (Subject to the CPA agreeing to pay for the incremental costs of implementation, based on an initial cost estimate provided by the utility.)

More generally, prospective respondents are encouraged to review the "Market Analysis" chapter of CPCNH's draft Business Plan (pages 18 to 27), which provides an overview of the history of restructuring in New Hampshire, the gradual weakening of market-based mechanisms and commensurate growth of utility control over market functions, and recent political reforms. (Accessible under [RFI Reference Materials](#) > 4_CPCNH draft Business Plan > 3_CPCNH Draft Business Plan_14Aug2021.)

What payment types / volumes are expected to be received by CPAs? Will individual customer energy charges be processed by CPAs or the local utility?

CPCNH also anticipates dual billing select subgroups of customers, such as Net Energy Metering (NEM) customer-generators.

For explanatory context, refer to the CPCNH draft Electric Aggregation Plan template, Attachment 6: Net Energy Metering Opportunities appendix (accessible under [RFI Reference Materials](#) > 5_CPCNH Member CPA Electric Aggregation Plans > 1_CPCNH_Template Electric Aggregation Plan_Oct 2021).

Regarding Customer Data Validation, Error Resolution and Data Management (line 17 in the workbook), can CPCNH please elaborate on what type of data this is referring to? Is this customer location data that may need to be validated against postal address or tax district area for validation? Account information validation with utility provider?



The requested functionality in line 17 refers to validating and managing Electronic Data Interchange (EDI) data: EDI 810 (bills), EDI 814 (admin), EDI 820 (payments) and EDI 867 (usage history) standard file formats.

Refer to the [PUC's initial proposal for draft administrative rules](#):

Puc 2204.06: Use of Electronic Data Interchange

...

b) Each CPA that will serve customer loads as an LSE, or its contracted service provider for customer enrollment, shall:

(1) Apply to and successfully complete the testing required to use each utility's EDI in the same manner and on the same terms as a CEPS; and

(2) If the CPA will provide service on an opt-out basis, demonstrate the ability to use EDI for enrollment of default service customers in the CPA service area, excluding those customers that opt-out, during the CPA commencement month.

Local Programs, Distributed Energy & Digital Engagement

- **We are a consulting firm that specializes in streamlining the deployment of Distributed Energy Resource projects. Would CPCNH be interested in retaining such services under this solicitation?**
- **Regarding 'Grid Edge Enablement and Portfolio Integration' (line 24 in the workbook): What integration is expected with local distribution networks? What role will local utilities retain in the planning, operation, and dispatch of DER resources?**
- **Regarding 'Digital engagement and Orchestration' (line 27 in the workbook): please provide more information. What type/ level of customer engagement is expected pre- and post- enrollment of customers? Do you expect integration with utility CRM and other internal systems such as billing, payments, outage management, energy efficiency programs, etc.?**
- **Regarding 'Program Analytics and Insights': please specify what this includes: Customer participation? Usage analytics? Digital engagement metrics? Program uptake?**
- **Regarding Enterprise Data Management Support Services (line 44 in the workbook): What commercial model is CPCNH looking for when it comes to a technology platform for not only Data Management but for most of the policies and programs required to be designed and implemented based on all the requirements? Is CPCNH looking for a Platform or DERs as a Service? A managed offering where CPCNH buys the technology? Or just a procurement of the software? Please elaborate if possible.**
- **Does CPCNH intend to integrate, manage, and operate the technology solutions provided within the RFP in concert with other solutions and technologies (e.g.- planning vs operating and controlling DER programs, customer communications etc.)? Note that this will influence our response as well as the pricing models proposed (e.g., SaaS fee vs Outcome based pricing).**

While CPCNH requires a specific set of operational services and credit support for the purposes of implementing Community Power Aggregations, CPCNH considers value added



services — such as consulting services that inform the development of local programs across our Members' service territories, engagement platforms that animate customers, and technology platforms that enable the effective deployment and orchestration of Distributed Energy Resources for customers participating in such programs — as core competitive differentiators that will strengthen CPCNH's financial performance, customer value proposition and ability to achieve our Member CPAs' local policy goals.

Refer to [Lebanon Community Power's adopted Electric Aggregation Plan](#) for an example of our Member CPA local policy goals (on pages 16 to 18) and an overview of the corresponding enabling services CPCNH intends to provide (on pages 11 to 15).

In general, CPCNH appreciates the detailed nature of these questions and will take them into account to inform the RFP.

Regarding the specific services requested in the RFI workbook:

- 'Grid Edge Enablement and Portfolio Integration' functionality refers to enabling distributed energy resources (DERs) as an active resource in CPCNH's energy portfolio for the purpose of enhancing price/risk management — leveraging price-based signals, flexibility contracts with aggregators, and/or automated dispatch controls to intelligently control distributed generation, energy storage, electric vehicles, and load flexibility.
- 'Digital Engagement and Orchestration' functionality refers to a suite of technologies, processes and strategies designed to strategically deepen customer relationships while minimizing transaction costs — leveraging predictive behavioral analytics, automation, personalization and effective information exchange techniques, transparent product offers and billing plans, streamlined program enrollment, online and app-based engagement, and other high-efficiency / low-cost structures.
- 'Enterprise Data Management' functionality refers to the development of an in-house central repository of customer and other data for use by CPCNH staff and authorized third parties to enable analytics, research and development of new energy services, and identification of opportunities for enhancing operational efficiencies.

In response to questions regarding pricing, note that the RFI **requests but does not require** respondents to include indicative pricing for services. Specifically, the RFI states:

"Respondents should also consider providing indicative ranges of fees typically charged for each service. Note that any response provided will not be assumed to be reflective of the respondent's actual fees and will solely be used to refine CPCNH's understanding of the industry, internal cost modeling and planning activities."

CPCNH is interested in evaluating whether a software as a service or outcome-based pricing model offers a superior value proposition but anticipates that this evaluation would occur during the RFP process (to allow for consideration of any proposed teaming arrangements, operating model structures, and, presumably, the cost efficiencies therein).

At this stage, CPCNH encourages respondents to (1) include the full range of different potential pricing models and options in their RFI workbook responses and (2) submit additional explanatory marketing materials in PDF form to accompany the response.