



24 May 2022

Responses to Questions on the RFP

This addendum provides CPCNH's responses to questions that have been received to-date, apart from the three questions previously addressed in Addendum 1 (issued 13 May 2022 and available on CPCNH's [Solicitation webpage](#)). Additionally:

- ✦ Be advised that CPCNH inadvertently uploaded certain draft versions of Member Electric Aggregation Plans in the RFP Reference Materials posted on 25 April 2022.
- ✦ CPCNH will upload approved versions of Electric Aggregation Plans and issue an additional addendum in the near-term.

Question 4: The RFP makes reference to a Professional Services Agreement that will be entered into between the successful proposer and CPCNH. Can a draft version of this agreement be made available for review during the RFP stage?

CPCNH Response: CPCNH intends to negotiate and draft the Professional Services Agreement with the selected Proposer, or multiple selected Proposers if the requested scope of work is divided across multiple contracts.

CPCNH's RFP for comprehensive services and credit support provided on an at-risk, deferred compensation basis is primarily based upon the comparable approach pioneered by the [Redwood Coast Energy Authority](#) (RCEA), a Community Choice Aggregation Joint Powers Authority in California.

Prospective respondents are encouraged to review the three Professional Services Agreements that RCEA subsequently executed to provide (1) portfolio risk management services and credit support, (2) retail data management, billing, and customer care services, and (3) various support services (e.g., administration, marketing, etc.). These contracts are available [online here](#).

Question 5: Please provide clarification regarding CPCNH's expectation of when Portfolio Risk Management Services will be required.

CPCNH Response:

CPCNH intends to execute a Professional Services Agreement for Portfolio Risk Management Services in August-September 2022. The commencement date for these services directly impacts CPCNH's critical path timeline, as summarized below. Note that CPCNH anticipates relying upon the selected Proposer to (1) analyze and finalize the target date for the launch of Member CPA programs and (2) refine and



manage the critical path sequencing and schedule of all activities to ensure a successful launch.

Assuming the NH Public Utilities Commission adopts Administrative Rules for CPAs in mid-August, and provided that market conditions are favorable, CPCNH intends to enroll customers and initiate CPA program service in April or May 2023.

The window to procure power extends from mid-December 2022 through February 15, 2023, which is the period between (1) when all four utility's default services rates in April-May that CPCNH must "meet or beat" are known, through (2) when CPCNH would need to submit a 45-day advance notice of intent to launch CPA program service beginning on April 1, 2023, to the Public Utilities Commission and the utilities.

For CPCNH and selected Proposer to gain authorization to procure power on behalf of Member CPAs, CPCNH's Cost Sharing Agreement and Energy Risk Management and Financial Reserve Policy (which will likely be separate policies) must first be drafted and adopted by (1) the CPCNH Board and subsequently (2) the governing body of each Member that intends to launch CPA service in April-May 2023.

The selected Proposer will support the drafting and approval process, which is a near-term critical path priority that is expected to conclude in November-December.

CPCNH understands that its creditworthiness and ultimate financing cost are contingent upon adopting mutually acceptable terms. Opportunities to enhance CPCNH's creditworthiness include provisions requiring that Member CPA revenues be deposited into a secure revenue account, and relevant ratesetting provisions such as "meet or beat" requirements and a process to adjust rates expeditiously due to unanticipated adverse events (likely also presented in a separate rate policy).

CPCNH's Member Operations and Engagement Committee will support this process and is currently focused on preparing CPCNH's Board and Member governing bodies regarding expectations and timeline requirements.

- ✦ Refer to this [5/9/22 CPCNH memorandum](#) and [5/10/22 committee meeting slide deck](#) for additional details on the committee's preparatory activities.
- ✦ The excerpted slides below provide a high-level timeline, narrative of process requirements and summary of agreements and policies that Members are anticipating executing:



Critical Path Timeline: Actions for Members



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Critical Path Interdependencies

The following "hard deadlines" are required to launch CPAs beginning on 1 April 2023:

- **2 March 2023:** after CPCNH posts all CPA rates on DOE's "Shopping Comparison" website, customer opt-in / opt-out mailed notifications are posted
- **15 February 2023:** CPCNH submits 45-day advance notice of intent to launch CPA service
- **Mid-December 2022 to mid-February 2023:** all utility rates become known in mid-December, after which CPCNH conducts power procurement (up to the advance notice deadline in mid-February)
- **October to mid-December 2022:** members approve of Cost-Sharing Agreement & Energy Risk Management, Rates & Reserves policies (which authorizes CPCNH to procure power for CPAs)
- **August to September 2022:** CPCNH concludes RFP & executes service agreements. Vendors help draft Cost-Sharing Agreement & Energy Risk Management, Rates & Reserves policies & conduct analysis of utility datasets / forecasting (in preparation of power procurement)
- **Late August 2022:** CPCNH receives utility customer datasets for all CPAs with approved EAPs (necessary to inform forecasts and procurement)
- **Mid-July 2022:** PUC adopts CPA Administrative Rules, approves first CPA EAP & all remaining EAPs submitted (expedited approval expected)
- **Late May 2022:** PUC issues Final Proposal for CPA Administrative Rules & one CPA submits revised EAP for approval on that basis

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Key Policies & Agreements

- **Cost Sharing Agreement:** ensures costs are recovered fairly and transparently from each CPA based on cost-causation principals, within the framework established by the JPA: costs for (1) Member Services and (2) Direct Projects only accrue to CPAs that choose to receive the services or participate in the project in question, while (3) General & Administrative Costs are shared proportionally across members (based on pro rata share of annual electricity sales).
- **Energy Risk Management Policy (ERMP):** purpose is to identify risks associated with the procurement of the power supply, identify those responsible for administering the various elements of the risk management policy from procurement operations to oversight, and to set policy parameters for managing risk associated with procuring and hedging the power supply portfolio. Defines the requirements and limits within which Member CPAs delegate their procurement authority to CPCNH.
- **Financial Reserves Policy:** sets appropriate target levels (minimum and maximum contributions) to ensure CPCNH satisfies working capital requirements, procures energy at competitive rates, adheres to contractual covenants, covers unanticipated expenditures, supports rate stability, and progresses towards obtaining an investment grade credit rating.
- **Rates Policy:** ensures rates are set in a timely fashion to recover capital and operating costs of CPA program & that public notice / customer communication activities remain in compliance with statutory and local (EAP) requirements.

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For additional context, refer to the RFP, section “Cost Proposal and Payment Schedule” (p. 16) and the following sections from the “Appendix: Critical Path Analysis” (pp. 37-54): “CPCNH Draft Gantt Chart” (p. 38), “Summary of CPA Administrative Rules (PUC Initial Proposal)” (pp. 39-40), “Utility Procurement and Rate Setting Practices” (pp. 41-42), “Member CPA Approval for Delegation of Procurement Authority” (pp. 44-47), “Data Access Dependencies: PUC Approval of CPA Rules & EAPs” (pp. 49-51), and “Advance Notice Requirements, Procurement & Launch Target Dates” (pp. 51-54).

Question 6: The RFP makes reference to an Energy Risk Management and Financial Reserves Policy. Can a draft version of this policy be made available for review during the RFP stage?

CPCNH Response: Refer to CPCNH’s response to question 5. CPCNH plans on drafting Energy Risk Management and Financial Reserves Policies with the selected service providers. Prospective respondents are encouraged to refer to the current policies of operational Community Choice Aggregation (CCA) Joint Powers Agencies (JPAs) in California, which are typically posted on CCA JPA websites (under “Key Documents”, “Policies”, etc). Refer to the [Cal-CCA website](#) for links to most California CCA JPAs. Note that Community Choice Partners, Inc. previously compiled the California CCA JPA ERMPs ([online here](#)), but the report is dated.

CPCNH invites proposals which demonstrate an expert understanding of critical path requirements, offer refinements and alternate strategies and, for the provision of financing and credit support, clearly describe how any proposed covenants, repayment schedules or other requirements, provisions and restrictions would be best incorporated into CPCNH’s Cost Sharing Agreement and Energy Risk Management and Financial Reserves Policy drafting and approval process.

Question 7: Regarding "Portfolio Risk Management Services": would CPCNH be interested in, or is planning to outsource the portfolio risk management services function to an external entity?

CPCNH Response: Yes. Refer to CPCNH’s response to question 5.

Question 8: Will CPCNH enter into power supply contracts with outside vendors on behalf of its membership while establishing participation agreements internal to the CPA for these contracts? Please confirm.

CPCNH Response: Yes. Refer to CPCNH’s response to question 5.

Question 9: Regarding "Portfolio Risk Management Services": Is CPCNH planning to have its own energy supply/operational staff conduct functions related to portfolio risk management? If so, is CPCNH planning to acquire such functional and operational software for load forecasting, supply management, position



management, risk management and shadow settlement also known as ETRM system to be used by CPCNH staff?

CPCNH Response:

Not initially. Proposals should anticipate providing all required functions for the duration of the Professional Services Agreement, while providing flexibility in this regard to support and enable CPCNH's organizational development as described below.

Over time, CPCNH may internalize certain functions as it grows in terms of membership, revenues, and staff capacity, matures as a power enterprise, and identifies opportunities to improve efficiency and effectiveness:

- ✦ Refer to the draft Business Plan ([RFP reference documents](#)), sections "*Staffing Strategy*" (pp. 11 to 12) and "*Summary of CPCNH Cashflow Model Results*" (particularly the "*Key Metrics*" table on p. 39 and financial pro forma on p. 41). Note that CPCNH's staffing expenses are projected to stabilize at ~1.5% of revenues (in line with industry standard practice), and that CPCNH's staffing strategy, as a moderately sized power enterprise operating in a restructured market, is to consequently hire "*a small team of highly experienced staff in managerial positions to provide oversight, initiative and agile decision-making.*"
- ✦ Refer to the RFP, section "*Staffing Strategy*" (pp. 35-36). Note that CPCNH's CEO and staff domain expertise is expected to include "*contract valuation, procurement, power purchase agreements, portfolio strategy, and energy risk management.*" CPCNH is actively soliciting additional grants and donations to accelerate the CEO hiring process. Subject to funding constraints, CPCNH intends to hire a CEO prior to the launch of CPA programs and to commence the process of soliciting for additional staff positions in the period leading up to the launch of CPA program service, likely after customer notifications are sent (30 days out from launch, in anticipation of near-term cashflow and net revenues sufficient to cover these internal costs).

Similarly, CPCNH may also register with ISO-NE as a Load Serving Entity (LSE) in future. Refer to CPCNH's "[Request for Information, Addendum 1: Responses to Questions on the RFI](#)", Question 1 for additional context and reference materials.

Question 10: Are there any substantial capital projects already specifically envisioned for the CPA (ex. metering, EV charging infrastructure, etc.)? Are there any known renewable energy projects that CPCNH has identified and would like to contract with if possible? If yes, what are the capacities of these projects and when would they be expected to come online?



CPCNH Response: No specific renewable energy or substantial capital projects have been considered or presented to CPCNH's Board. However, Member CPAs are working on a variety of renewable and local project initiatives and have been successfully coordinating to enable strategic reforms.

Refer to this [memo by CPCNH Chair Below](#) for additional context regarding Lebanon Community Power's local initiatives and insights regarding how CPCNH is positioned to transform the market more broadly (the memo discusses opportunities for renewable project development, large C&I customer demand flexibility, and Time of Use rates to enable battery storage and electric vehicles in the New Hampshire market context).

Note that CPCNH's Joint Powers Agreement was structured to enable project development for Member CPAs. Under the terms of the JPA:

- ✦ The Board of Directors may establish a Project (or a Study Project) that Member CPAs may subsequently choose to participate in.
- ✦ Each project is governed by a project committee composed of participating Members CPA representatives with weighted voting based on the financial commitment made by each Member CPA (subject to provisions that ensure no one Member CPA may unilaterally control the outcome of a vote).
- ✦ All expenses, rights, and obligations associated with a given project must be provided for in a Project Contract, which is an agreement separate and distinct from the JPA that is made between and among CPCNH and Member CPAs subscribed to the project.
- ✦ Project Contracts may not obligate non-participating Member CPAs in any way and comprise one of the three categories of expenses classified under the Cost Sharing Agreement, which will be executed between CPCNH and each Member CPA *"to ensure that the costs, expenses, debts, and liabilities ("Costs") directly or indirectly incurred by the Corporation on such Member's behalf are recovered through said Member's CPA revenues, or from revenues from grants or other third-party sources."*

Refer to CPCNH's [Joint Powers Agreement](#): Article IV, Section 6 (*"Continuing Obligations"*), Article V, Section 3 (*"Cost Sharing Agreements"*), Article IX, Section 10 (*"Project Committees"*), Article X (*"Projects"*), Article XI (*"Bonds and Notes"*), Article XII (*"Limitation of Liability of Members"*), Article XVI, Section 1 (*"Successors and Assigns"*), Article XVII, Section 1 (*"Breach of Agreement"*), Attachment A: Definitions 9 (*"Direct Project Costs"*), 16 through 20 (*"Project, Project Contract, Project Matter, Project Participants, Project Votes"*) and 23 (*"Study Project"*), Attachment B: Articles of Agreement of the Corporation, Section 2.3 (*"Powers"*), Attachment C: Corporation



Bylaws, Section 3.8 (“*Involuntary Termination of Membership*”) and Attachment F: List of Project Contracts (which is currently blank).

Question 11: Regarding Operational Services, “Revenue Forecasting and Budgeting”: please clarify with additional details what is the scope of revenue forecasting and budgeting services. Does this service request primarily relate to energy usage and energy load forecast and energy cost forecast?

CPCNH Response: Revenue forecasting primarily relates to energy usage, load and price / cost forecasting. Budgeting additionally requires constructing and maintaining a monthly cashflow model that captures CPCNH’s the business operations expenses, accounting structures, contract payment terms, credit and collateral requirements and other financial, regulatory, and business process requirements under which CPCNH will operate.

Refer to CPCNH’s draft Business Plan ([RFP reference documents](#)), section “Competitive Analysis” (pp. 28-44) for an overview of CPCNH’s draft cashflow model, which was informed by the methodologies and structures relied upon by CPA JPAs in the California market to forecast operating and reserve budgets, which are (1) used to inform rate setting and strategic planning and (2) disclosed to third parties on a pro forma basis to support financing and power purchase negotiations.

Question 12: Regarding Operational Services, “Invoice Validation”: please clarify with additional details what is the scope of Invoice Validation services. May we assume invoice validation is related to energy supply contracts (bilateral) as well as the NE ISO settlement invoices?

CPCNH Response:

Regarding the provision of “*Portfolio Risk Management Services*”, the selected Proposer is expected to perform all ISO-NE interface functions needed for daily operations, including load settlements for each of CPCNH’s load assets (Member CPA programs), shadow settlement calculations, the resolution of any discrepancies with ISO-NE, validation of bilateral transactions, and any associated data / reporting requirements.

The provision “*Invoice Validation*” services under “*Banking and Financial Services*” is an enterprise function that supports secure revenue account administration, and the disbursement of funds to cover CPCNH’s various contractual obligations.

Question 13: Relating to procurement services, what type of financial and accounting support will CPCNH contract out to vendors?

CPCNH Response: To maintain separation of duties and fiduciary oversight, CPCNH intends to contract for accounting, banking and auditing services separately from



Portfolio Risk Management services, the provision of which will entail providing data and information to support CPCNH's accounting and audits.

CPCNH intends to contract for the deployment and maintenance of a chart of accounts and general ledger, monthly reporting, quarterly and annual financial statements, a complete accounting system for payables and receivables with strict controls of processes, support for the monitoring and development of budgets and actuals to date comparisons, assistance with financial covenants, periodic year-to-date accrual basis financial monitoring, reporting, and tracking, assistance in treasury related functions, tax and compliance filings, wire setups, a bill pay system, and other financial duties as needed, as well as secure revenue account services (refer to CPCNH's response to Question 18, part d below).

CPCNH invites proposals that are responsive to some or all of the requested scope of work. CPCNH has retained the right to contract independently with one or more entities on any proposal team, in part, to ensure separation of duties, as appropriate, based on the proposal in question. Respondents are encouraged to identify instances of potential conflicts and advise on recommended mitigations.

In future, CPCNH will also contract for audit services at the direction of CPCNH's Audit Committee, which is expected to be formed prior to the launch of CPA program service (see RFP, p. 49). Under the terms of CPCNH's [Joint Powers Agreement](#), Article IX, Section 5: *"The committee shall oversee the quality and integrity of the Corporation's accounting, auditing and reporting practices, shall cause an independent financial report of the accounts and records of the Corporation to be made by a certified public accountant or public accountants each fiscal year, which shall be provided to Directors and to Members at the Annual Meeting. The Corporation shall consider the budget amount necessary for such financial reports as determined by the Audit Committee."*

Question 14: Can you share a more detailed scope and description, if available, for the services related to Member CPA recruitment?

CPCNH Response: Member CPA recruitment requires strategic planning and content creation, close coordination with CPCNH's Member Operations and Engagement Committee, general marketing and consistent, professional outreach to interested communities, relationship management with local champions and decision-makers, targeted education regarding CPCNH and Community Power, responsive engagement and timely assistance throughout the local approval process required to join CPCNH, and orientation and process support for onboarding new Member Representatives. Specific tasks include but are not limited to:

- ✦ Coordination with CPCNH's Member Operations and Engagement Committee, and other Member Representatives as requested, to leverage the relationships



that CPCNH Members have with community stakeholders and decision-makers throughout the state, to draft and finalize general marketing and targeted educational materials, and to engage in strategic planning and recruitment activities.

- ✦ Providing targeted outreach, fielding inbound inquiries, identifying and supporting the development of strong relationships with local champions, facilitating internal and external communications between current and prospective Members, scheduling, preparing and attending committee, governing body, and other public meetings committee, governing body, and other public meetings to present and answer questions, and coordinating follow-up activities.
- ✦ Planning and facilitating education and engagement events with large groups of prospective member community stakeholders.
- ✦ Tracking and reporting on recruitment activities, maintaining a contact log, and updating CPCNH's contact database.
- ✦ Providing administrative support in drafting and issuing CPCNH membership invitation letters, receiving, and filing executed Joint Powers Agreements, and drafting and issuing CPCNH welcome letters and onboarding materials.
- ✦ Facilitating new member orientation meetings and otherwise supporting the onboarding of new Member Representatives.

For additional background and context:

- ✦ Note that CPCNH has compiled a dataset of all municipalities with metrics relevant to recruitment prioritization (estimated load volumes and accounts, form of government, extant local energy committees, history of energy-related initiatives, etc.) and constructed a contact database with ~400 people located in New Hampshire, comprised of ~10 regional planning commission contacts, ~10 thought leaders in academia, ~20 media contacts, ~30 utility employees, ~40 grassroots organizers, ~80 individuals associated with CPCNH's Member communities, ~210 additional local elected officials, staff, and energy committee volunteers and community leaders interested in Community Power throughout the state.
- ✦ Refer to CPCNH's draft Business Plan ([RFP reference documents](#)), section "CPCNH Member CPA Recruitment Status" (pp. 8-10) for additional details regarding CPCNH's core framing and messaging and typical outreach activities associated with member recruitment.
- ✦ Refer to the four videos on CPCNH's [Media webpage](#) produced to support new member recruitment, two of which were "Community Power Roadmap" webinars hosted by Clean Energy New Hampshire and advertised to their network of community stakeholders (the slide decks are also available [here](#) and [here](#)).



- Refer to the video recordings and event materials posted on CPCNH's [About Us webpage](#), in the section "Coalition Networking and Events", regarding CPCNH's Community Power Summit events, in June 2020 and March 2021, with presentations and discussion groups intended to educate communities and drive recruitment activities (which engaged ~70-90 stakeholders from ~30 communities).

Question 15: Regarding Utility Data Requests and Management services ("The selected Proposer will undertake all functions necessary to request, receive and analyze customer account and usage data from electric distribution utilities"): Is there a more detailed scope of work description? Can you share illustrative examples of the sorts of challenges CPCNH anticipates, if any? What are the requirements in terms of ensuring "Customer Privacy Compliance"?

CPCNH Response:

Regarding the scope and potential challenges of utility data management:

Under [RSA 53-E:4](#), V, CPAs "shall be treated as competitive electricity suppliers for the purpose of access to the electric distribution utility's electronic data interface [EDI]". All four distribution utilities transact using EDI V12 standards (version 4010), and the utilities' business rules permit dual billing and LDC rate-ready consolidated billing (but not bill-ready consolidated billing or supplier consolidated billing). Refer to the RFP, "Appendix: Critical Path Analysis", section "Utility Resources for Wholesale Settlements and Retail Transactions" and to this [utility slide deck](#) providing an overview of NH EDI transactions, standards and metrics.

More broadly [RSA 53-E:4](#), VI, provides that CPAs may also "use individual customer data to comply with the provisions of RSA 53-E:7, II and for research and development of potential new energy services to offer to customer participants." RSA 53-E:7, X consequently requires the Public Utilities Commission to adopt rules governing "access to customer data" and other matters.

Administrative Rules for CPAs are still under development, however, and the extent of non-EDI data access is the subject of contention and subject to change:

- Refer to the PUC's [Initial Proposal for CPA Administrative Rules](#), specifically Puc 2203.02 ("Request for Usage Information from Utilities"), Puc 2204.02 ("Request for Anonymized Customer-Specific Information from Utilities"), Puc 2204.06 ("Use of Electronic Data Interchange") and Puc 2205.13 ("Individual Customer Billing Information").
- Note that the [Reply Comments of CPCNH, the Office of Consumer Advocate and Clean Energy New Hampshire](#) — which address various issues presented by the



utilities' initial comments — proposed certain modifications of the Initial Proposal, including to the above-referenced data access sections (see pp. 13-18 and 23-24).

- ⚡ Refer also to the RFP, “*Appendix: Critical Path Analysis*”, section “*Summary of CPA Administrative Rules (PUC Initial Proposal)*” (pp. 39-40).

Additionally, be advised that the process of transferring significant numbers of NEM customers may cause challenges of an operational nature due to utility metering, billing, and data management processes, and may have financial implications for customers in terms of how surplus generation credits are managed. Refer to the RFP, “*Appendix: Critical Path Analysis*”, section “*Net Metering Considerations*” (pp. 43-44) for discussion and additional reference materials.

CPCNH invites proposals that request, receive and analyze customer account, usage, and other data to support engagement across all aspects of retail customers lifecycles (e.g., enrollment, billing, payments, targeting, acquisition and program participation, customer care, predictive notifications, etc.).

Regarding Customer Privacy Compliance:

[RSA 53-E:4](#), VI, requires CPAs to maintain the confidentiality of individual customer information in compliance with their obligations as service providers under [RSA 363:37](#) (Definitions) and [RSA 363:38](#) (“*Privacy Policies for Individual Customer Data; Duties and Responsibilities of Service Providers*”). [RSA 53-E:7](#), X also requires the Public Utilities Commission to adopt Administrative Rules for CPAs governing “*access to customer data*” and other matters.

- ⚡ The selected Proposer will be expected to demonstrate physical and cybersecurity readiness sufficient to ensure customer data is held in strict confidence — e.g., through audits in accordance with the American Institute of Certified Public Accountants Statements on Standards for Attestation Engagements No. 16 (SSAE 16) Service Organizational Controls (SOC) Reports, periodic network vulnerability assessments, etc. — and will be contractually required to maintain the confidentiality of individual customer data pursuant to [RSA 363:38, V\(b\)](#) and applicable Public Utilities Commission rules.
- ⚡ As previously noted, Administrative Rules for CPAs are under development. Refer to the PUC’s [Initial Proposal for CPA Administrative Rules](#) (Chapter Puc 2200), specifically the definitions in Puc 2202.07 (“*Confidential customer information*”) and Puc 2202.02 (“*Anonymized*”), and Puc 2205.02 (“*Application of Puc 2000 to CEPS When Providing Electricity Supply to CPA Customers*”).
- ⚡ The selected Proposer, as applicable, should expect to comply with relevant portions of the PUC’s current Administrative Rules for Competitive Electric Power Suppliers and Aggregators (Chapter Puc 2000). Refer to [Chapter Puc 2000](#), Puc 2002.09 (definition of “*Confidential Customer Information*”) and Puc 2004.19 (“*Protection of Confidential Customer Information*”), which is proposed to apply



to CEPS providing electricity supply service to CPA customers pursuant to Puc 2205.02 under the PUC's Initial Proposal for CPA Administrative Rules.

Be advised that CPCNH is currently drafting an appendix for inclusion in Member CPA Electric Aggregation Plans that will provide additional information regarding data security requirements and considerations. CPCNH will release an addendum with this document over the near-term to inform the development of proposals in response to the RFP.

Question 16: Regarding "Enterprise Data Management", which requests proposals that "support the development of an in-house central repository of customer and other data for use by CPCNH staff and authorized third parties for the purpose of enabling research and development of new energy services" — what functions are being requested? Is CPCNH expecting solutions that only provide data, or does CPCNH expect service providers to additionally develop dashboards and analysis on top of the data?

CPCNH Response: It is a strategic priority for CPCNH to be able to evolve and scale on an agile basis in anticipation of market reforms, new commercial opportunities, and expansions in membership service territory. CPCNH invites proposals for Enterprise Data Management that support this goal, taking into consideration CPCNH's current limited internal capacity and future growth plans.

CPCNH's general objective is to implement a platform that co-exists alongside and integrates with the selected Proposers data warehouses (the latter of which will be relied upon to perform all operational functions during the initial launch and near-medium term operations of CPA program service), in order to enable the development of federated queries across all platforms, better predictive analytics and business intelligence, enhanced collaboration across vendors, and API integrations to enable permissioned sandbox trials, new services and automation of business process improvements over time.

CPCNH anticipates the selected Proposer will recommend, deploy, and help maintain a cloud-based enterprise platform as a service to enable scalability and to facilitate ongoing development of integrations and analytics over time. Integrations are anticipated with selected Proposer's data warehouses (e.g. energy trade risk management, customer relationship management, utility data and billing systems, etc.), and subsequently with ISO-NE wholesale market data, forward indices, weather data, economic data, various geospatial datasets and survey results, and governmental databases (e.g. local property assessor, regional solar maps, local programs, the NH Statewide Data Platform currently under development per the settlement agreement in [DE 19-197](#), etc.). Eventually, integrations with third-party customer demographic vendors, web logs, customer social media, etc., and data streams from meters, devices, and aggregators may be incorporated.



Development will be staged and iterative, with the latter-stage integrations, schema definitions, data transformations and business solutions implemented as CPCNH's internal capacity grows, value is assessed, and workflow requirements are prioritized.

Question 17: Is there a more detailed scope of work description regarding Operational Services, "Customer Program Analytics and Insights" (e.g., usage driven, billing driven, social driven, other insights, etc.)?

CPCNH Response: Program analytics and insights should inform and predict a variety of metrics including program engagement, enrollment, and persistence, identify timely actions for engaging customers, ensure cross-channel optimizations, and enable usage insights, predictive models, customer bill forecasts, and other analytics and outputs.

CPCNH expects that the most competitive proposals will bring forward "Customer Program Analytics and Insights" solutions that are fully integrated with "Digital Engagement and Orchestration" services to strategically deepen customer relationships while minimizing transaction costs and maximizing portfolio value.

CPCNH invites proposals that offer configurable, modular platform functionality in this regard that can accommodate the diversity of CPCNH's Member CPA local program objectives, customer bases, and utility service territory considerations, and which discuss, recommend, and justify a variety of approaches.

CPCNH is interested in evaluating whether a software as a service or performance, outcome-based pricing model offers a superior value proposition.

Additionally, refer to this [memo by CPCNH Chair Below](#) for additional market context (the memo discusses opportunities for renewable project development, large C&I customer demand flexibility, and Time of Use rates to enable battery storage and electric vehicles in New Hampshire, while highlighting the City of Lebanon's local initiatives as an example of what Member CPA have been working on to-date and discussing how CPCNH is positioned to transform the market more broadly going forward).

Question 18: Please provide additional details and clarifications regarding the provision of credit support and services requested under the RFP:

a) The "Financing and Credit Support" section and Gantt chart indicate that credit support is expected from services providers via at-risk contracts, and responses to the RFI questions from January 2022 indicate that CPCNH expects a credit sleeve from service providers to cover pre-revenue costs, with a bank facility provided once the program is operational and revenues are flowing. Is this a correct understanding?



- b) Alternatively, Is CPCNH seeking a bank credit facility to support pre-revenue expenses under this RFP?**
- c) Regardless, the RFP indicates that CPCNH anticipates filling key internal staffing roles prior to launch — is the expectation that the costs associated with these positions will be included in the required credit support provided prior to launch?**
- d) Does CPCNH expect to enter into a multi-party secured revenue (“lockbox”) account agreement, similar to the standard structure used by California Community Choice Aggregation (CCA) Joint Power Agencies (JPAs)? Or will the secured account be pledged to one energy service provider that takes on the at-risk contract and credit sleeve? Any additional information about the account structure and level of service needed will be helpful.**

CPCNH Responses:

- a)** Correct. As explained further in 18b below, CPCNH generally anticipates that proposers will offer a credit sleeve arrangement to provide cash and credit support on behalf of CPCNH to the ISO-NE and third parties (standard practice in the industry) and will cover expenses associated with the provision of the requested scope of work required to launch CPA program service, the cost of which will be tracked and amortized over the term of the Professional Services Agreement. Subsequently, CPCNH also expects to lower its cost of capital by building reserves and by soliciting offers for a hybrid credit facility which includes line of credit and letter of credit features.

As referenced, CPCNH's "[Addendum 4: Responses to Additional Questions on the RFI](#)", section "*At-Risk Contracting, Banking and Credit Support Requirements*" (pp. 3 to 5) provides additional context. Refer also to CPCNH's draft Business Plan ([RFP reference documents](#)), section "*Summary of CPCNH Cashflow Model Results*" (pp. 38-39).

- b)** Yes. CPCNH invites and would welcome proposals under this RFP from qualified financial institutions to provide an unsecured bank credit facility or alternative financing options to cover some or all of CPCNH's pre-revenue expenses, which would afford CPCNH additional flexibility to meet startup and working capital requirements. Such proposals would need to comply with RSA 53-E:5, in that CPCNH Members would be unable to provide any sort of municipal guarantee, and CPCNH would be unable to provide much, if any, collateral (see CPCNH's response to Question 19).

There are examples of California Community Choice Aggregation Joint Powers Agencies (CCA JPAs) executing unsecured credit facilities to cover pre-revenue



expenses. For example, the East Bay Community Energy CCA JPA executed a \$50 million credit facility with Barclays Bank PLC to provide capital prior to launch and credit for power procurement, with the option (but not the requirement) of providing collateral or municipal guarantees (to lower financing charges). Refer to this [2/21/2018 EBCE staff report](#) for an explanation of the original agreement, which was subsequently amended and restated in July 2019 (staff report and credit agreement [online here](#)). However, note that:

- ✦ EBCE had already hired a CEO, CFO and other staff by the time the credit facility was executed and was launching CCA service in an established market (i.e., where the first CCA JPA had launched eight years earlier, in 2010).
- ✦ In contrast, CPCNH currently has no staff capacity, is preparing to launch the first CPAs in New Hampshire, and has issued an RFP for the services and credit required to do so prior to the finalization of CPA administrative rules.

Given this context, CPCNH oriented planning around the assumption that (1) a credit sleeve arrangement and at-risk contract structure for services would be relied upon to launch CPA program service, supplemented by (2) CPCNH's continued fundraising for grants and donations to cover consulting and planned staffing expenses.

Note that this strategy is based upon the successful approach pioneered by the Redwood Coast Energy Authority CPA JPA in California (refer to CPCNH's response to Question 4 on p. 1 above).

- c) CPCNH would appreciate and welcome financing proposals from qualified financial institutions to provide capital to cover pre-revenue expenses associated with soliciting and hiring staff (subject to RSA 53-E:5 requirements, as explained in CPCNH's response to 18 b above). This would accelerate CPCNH's development of internal capacity.

However, CPCNH is not expecting proposers that are not qualified financial institutions to provide capital to cover CPCNH's pre-revenue staffing expenses. CPCNH did not require or request financing for costs unrelated to the provision of a particular proposer's services because such a request would risk diminishing price competition for services. As such, the RFP:

- ✦ States that CPCNH's intent is to *"solicit a variety of approaches and teaming arrangements, while ensuring transparency of cost drivers and preserving the CPCNH's ability to select the most competitive service providers"* ("General Information", p. 2).
- ✦ Requires proposers to *"cover the upfront cost of all services and provide credit support sufficient to initiate supply service for CPA programs on a deferred*



compensation basis” (“General Information”, p. 2), does not require financing to cover CPCNH’s internal staffing costs, and explains that CPCNH plans to pursue “additional grant funding and donations” for this purpose (“Staffing Strategy”, pp. 35-36).

- ✦ Encourages proposers to consider the requested Scope of Services as a “framework” and to (emphasis added) “submit proposals that include additional relevant and related services not specifically requested in this RFP if appropriate” in order to “improve the cost effectiveness, stability, and beneficial impacts of CPA programs” (“Scope of Services”, p. 18).
- ✦ Cautions that proposers should not “should not bundle pricing for non-related services together in an attempt to tie the provision of one service to another under this solicitation” (“Cost Proposal and Payment Schedule”, p. 16).
- ✦ Provides CPCNH the flexibility to contract independently with entities on any team proposal, to alternatively self-provide or contract for any service, etc. (“General Information”, p. 1, and “Rights of CPCNH”, p. 10) — in part to ensure an appropriate separation of duties (as explained in CPCNH’s response to question 13 above.)

The RFP was structured in these ways to afford proposers maximum flexibility while ensuring an appropriate separation of duties.

- d) CPCNH expects that the structure and level of depository service required to administer the secured revenue lockbox account will be determined during negotiations with the proposer selected to provide credit support (likely a credit sleeve and portfolio risk management services, as explained in #1 and #2 above).

CPCNH invites proposals to provide secure revenue account services from qualified financial entities that understand the industry, can minimize execution risk, and will work with CPCNH to deploy a lockbox structure that maximizes CPCNH’s flexibility to negotiate advantageous supply terms.

Additionally, CPCNH encourages proposals for secure revenue account administration services with optional unsecured credit support to cover some or all of CPCNH’s pre-revenue staffing and related startup expenses.

- ✦ CPCNH would consider these related services, as the provision of such financing could reasonably be contingent upon entering into a multi-party lockbox agreement and entail negotiations to finalize mutually agreeable security interests.



As an example of these considerations, refer to the Section 6.8.1(d) of the agreement that the Redwood Coast Energy Authority CCA JPA executed to provide portfolio risk management services and credit support, [online here](#)).

- ✈ CPCNH observes that this arrangement would be in all parties' best interest, as it would ensure that CPCNH is able to solicit for and hire an experienced CEO prior to the launch of CPA service (and potentially one or more additional senior staff, depending on the extent of financing offered).

Question 19: How much funding has been provided to CPCNH from the CDFA tax credit program? Is CDFA funding support separate from direct credit support from JPA members in terms of the NH Community Power Law (RSA 53-E)? If so, how is this different and could a similar credit enhancement be provided to a bank loan for pre-revenue credit needs?

CPCNH Response: The New Hampshire Community Development Finance Authority (CDFA) tax credit program was used to solicit \$75,000 from local businesses, which then received a 75% tax credit in exchange for their contributions to the project. The net grant proceeds of \$60,000 were used by the City of Lebanon primarily to engage Community Choice Partners, Inc. and Herndon Enterprises, LLC from February to June 2022 to work on the CPCNH initiative.

[RSA 53-E](#):5 prohibits any entity from requiring taxpayers that do not participate in a CPA program to pay or otherwise be responsible for *“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 [RSA 53-E] 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 does not anticipate that additional CDFA funds will be available to collateralize a bank loan for CPCNH's pre-revenue credit requirements.

Refer to the [Treasurer's Report prepared for the 5/19/22 Board Meeting](#) for a current statement of CPCNH's financial and cash position. Note that CPCNH was awarded an additional \$75,000 from the New Hampshire Charitable Foundation on 4/6/22 to support various technical consulting, member recruitment, communications, and administrative activities over the coming months. The Treasurer is preparing an updated budget for review and adoption at the 6/16/22 Board meeting.

Question 20: On the pro-forma, can you clarify the source of projected ~\$45 million in revenue in 2022 when CPCNH launch is planned for April 2023? Do you have a more updated pro forma you can share?



CPCNH Response: CPCNH’s cashflow model and draft Business Plan were developed by Community Choice Partners, Inc. in Q1-Q2 2021. During this period, the introduction of House Bill 315 (which would have effectively foreclosed CPA, as introduced) halted progress on CPA Administrative Rules at the Public Utilities Commission and ultimately delayed the formation of CPCNH as an actual entity, due to the increasing amount of work involved in the legislative effort to amend the legislation to preserve the authorities of CPAs. The cashflow results summarized in the draft Business Plan were not subsequently updated, and are best interpreted as “Year 1”, “Year 2”, etc. of the indicative results rather than “2022”, “2023”, etc.

Refer to the draft Business Plan ([RFP reference documents](#)), section “*Model Assumptions*” (pp. 28-29). Note that the model relied upon historical data observed over the most recent three years (from June 2018 through May 2021) to construct “average year” modeling inputs, and then produced a five-year cash-flow simulation by repeating the “average year” conditions. The purpose of the analysis was not to forecast CPCNH’s performance based on forward-looking assumptions (e.g., for 2022 onwards), but to assess whether CPCNH’s operating model would be cost effective when competing against the suppliers that have won utility default service solicitations in recent years. Relying on actual historic data for the analysis — multiple years of energy cost drivers (e.g., capacity, on- and off-peak forward and spot power prices, ancillary services, etc.), load volumes, and revenue inputs (e.g., utility default service rates — was deemed superior to forecast assumptions, as doing so allowed model results to be verified against what actually occurred.

This significantly lowered model error risk and provided a high degree of confidence that CPCNH’s operating model was competitive.

Subsequently, indicative pricing provided in response to CPCNH’s December 2021 Request for Information confirmed that CPCNH’s modeled operating model cost assumptions were accurate, and conservative relative to the range of quoted prices.

Question 21: Can you provide an excel version of the financial pro-forma model broken out by each month, with fill details of all model assumptions included? This will be helpful to better evaluate the cash flow and credit needs, both pre and post revenue, and evaluate the model inputs.

CPCNH Response: CPCNH anticipates providing the financial pro-forma model under a Non-Disclosure Agreement to select qualified proposers during the interview, award selection, and contract negotiation process to support the provision of financing and credit support.

Question 22: Is it reasonably feasible that CPCNH can achieve a price competitive cost of service relative to the incumbent utilities given recent increases in energy



costs and uncertainty in the market? Any additional insights on this topic will be helpful to supplement the details provided in the business plan.

CPCNH Response: Yes, CPCNH expects to achieve price competitive cost of service relative to utility default supply service given current and anticipated market conditions. The forecasted increase of energy price volatility, and increased proportion of energy costs relative to capacity costs as components of total portfolio costs over the next few years, will tend to heighten the advantage of active portfolio management for the provision of default service compared to regulated default procurement.

As context, investor-owned utilities in New Hampshire solicit default supply service every six months. The largest components are energy and capacity. While Forward Capacity Market charges may be accurately estimated approximately one year out, the forward price of energy is subject to market conditions at the time of the twice-annual utility solicitations. Thus, increasing volatility and a growing percentage of supply service accruing to energy price-risk will increase the basis for price competition for CPCNH, relative to the incumbent investor-owned utilities, and tend to heighten the advantage CPCNH will have in transacting throughout the year, relative to the utilities' position as price-takers every six months.

Similarly, elevated winter price volatility and risk premia will continue to financially advantage CPAs that launch in April-May (on average), because each investor-owned utility's rates for residential and small commercial customers is fixed over a 6-month period, and the rates in April-May consequently reflect cost averaging that includes the higher-priced winter months.

For additional discussion and analysis of these structural advantages, refer to RFP, "Appendix: Critical Path Analysis" (pp. 53-54) and the 6 May 2022 RFP webinar [recording](#) and [slide deck](#) (slides 23 to 27).

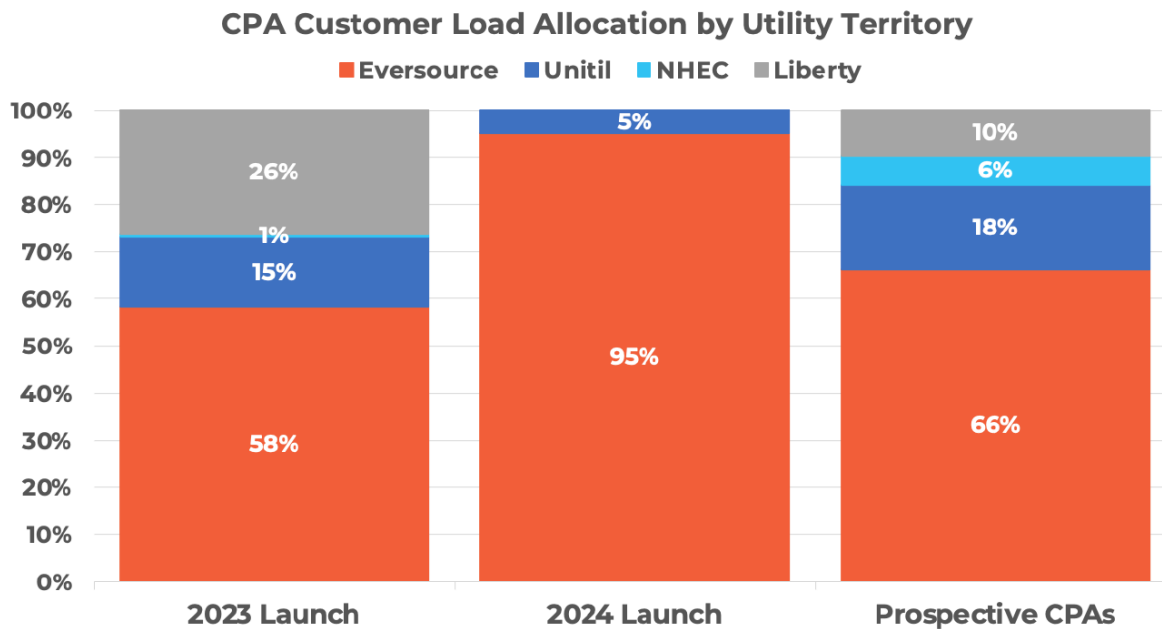
Additionally, refer to the October 9, 2021, article by New Hampshire's Consumer Advocate (Don Kreis): "[As Your Electric Bill Soars, Some Ideas for Fighting Back](#)". The Consumer Advocate contrasts the winter supply rates for Unitil (17.5 cents/ KWh) to the New Hampshire Electric Cooperative (9.8 cents/KWh) and goes on to explain that the co-op actively manages their energy portfolio, whereas:

"The IOUs do not actively manage the power portfolios used to provide their default energy service. They simply seek competitive bids, twice a year, from wholesale power suppliers that agree to charge the IOU a predetermined price during each month of the contract. The prices get locked in over the six months even as wholesale market prices fluctuate – and, as my friend from the Co-op suggested, the suppliers thereby take on considerable market risk that nudges their bids to the IOUs upward."



The Consumer Advocate then observes that CPCNH intends to actively manage an energy portfolio and recommended that customers “*get your city or town to become a CPCNH municipality, and then work hard to launch these community power programs.*”

Lastly, note that CPCNH has less of a structural advantage relative to the New Hampshire Electric Cooperative (NHEC), as it is the only utility that actively manages a portfolio for default service customers, and has consequently maintained a price advantage relative to investor-owned utility default service in recent years that CPCNH has analyzed (2018 through 2021). However, only a small percentage of CPCNH’s projected customer base is on default service provided by the NHEC. Refer to RFP, “*Appendix: Critical Path Analysis*” (pp. 53), including the following graphic:



Question 23: The RFP includes information on how many customers (and total load) in each municipality are currently taking default service. Is there any analysis that can be shared on the number of customers and total load currently served by competitive suppliers?

CPCNH Response: CPCNH estimates that there are ~14,000 accounts using ~467,000 MWh per year taking service from competitive suppliers in the municipalities that intend to launch CPA service between April-May 2023, and ~12,150 accounts using ~146,000 MWh per year taking service from competitive suppliers in the municipalities that intend to launch CPA service in Q2 2024.

These figures have been incorporated into the Member CPA territory table below:



MEMBER CPA UTILITY TERRITORIES, DEFAULT LOAD & CUSTOMER ACCOUNTS

Member	Type	Population	Default Load (MWH / Year)			Default Customer Accounts			Competitive Supply		Distribution Utility	Target CPA Launch Window	
			Total	Res	Non-Res	Total	Res	Non-Res	MHW/Yr	Accounts			
Lebanon	City	14,282	80,200	37,300	42,900	8,190	6,790	1,400	467,000	14,000	Liberty	April - May 2023	
Hanover	Town	11,870	40,300	21,600	18,700	3,110	2,550	560			Liberty, Eversource & NHEC		
Harrisville	Town	984	3,200	2,800	400	750	660	90			Eversource		
Exeter	Town	16,049	90,400	30,600	59,800	8,200	6,500	1,700			Unitil & Eversource		
Rye	Town	5,543	25,600	23,100	2,500	3,170	2,800	370			Eversource		
Walpole	Town	3,633	21,500	12,700	8,800	1,940	1,700	240			Liberty		
Plainfield	Town	2,459	5,700	5,200	500	1,040	970	70			Liberty, Eversource & NHEC		
Enfield	Town	4,465	19,200	15,600	3,600	2,740	2,490	250			Liberty, Eversource & NHEC		
Cheshire	County	N/A	4,500	-	4,500	5	-	5			Eversource		
Durham	Town	15,490	34,500	22,100	12,400	3,620	3,170	450			Eversource & NHEC		
Nashua	City	91,322	260,200	189,900	70,300	37,530	32,560	4,970			Eversource		
Newmarket	Town	9,430	25,900	23,000	2,900	4,400	4,020	380			Eversource		
Dover	City	32,741	104,400	82,800	21,600	15,940	13,930	2,010	146,000	12,150	Eversource	Q2 2024	
Warner	Town	2,937	18,000	9,500	8,500	1,850	1,550	300			Eversource		
Pembroke	Town	7,207	24,600	19,600	5,000	3,260	2,860	400			Eversource & Unitil		
Hudson	Town	25,394	102,900	70,400	32,500	10,890	9,130	1,760			Eversource		
Webster	Town	1,954	Estimated pending utility data requests:										Eversource & Unitil
New London	Town	4,400	99,900	65,700	34,200	12,300	10,600	1,700			Eversource		
Portsmouth	City	21,956									Eversource		
Q2 2023 Launch:		175,527	611,200	383,900	227,300	74,695	64,210	10,485	467,000	14,000			
Q2 2024 Launch:		96,589	349,800	248,000	101,800	44,240	38,070	6,170	146,000	12,150			
TOTAL:		272,116	961,000	631,900	329,100	118,935	102,280	16,655	613,000	26,150			

Note that these estimates are presented in aggregate due to the non-standard content and quality of datasets received by CPCNH Members to-date. While the distribution utilities have generally been accommodating and responsive in the absence of Administrative Rules governing data requests for CPAs, to the extent they are able to be, not all CPCNH Members have received datasets that include this data.

CPCNH subsequently applied estimates based on utility-specific averages computed from (1) the more extensive datasets received by most Members or (2) the customer migration reports which each investor-owned utility periodically discloses and/or files with the Public Utilities Commission, which may be accessed below:

- ✦ Eversource’s Quarterly Migration of Customers Reports are available from the utility’s [information webpage for default wholesale suppliers](#) (the most recent is [online here](#)). CPCNH’s compilation of Eversource’s customer migration data by month for the period January 2018 through March 2022 is available [online here](#).
- ✦ Unitil’s Customer Migration Report for February 2021 through February 2022 was disclosed as Exhibit 2 (Schedule JMP-3) in the utility’s [Petition for Approval of Default Service Solicitation and Proposed Default Service Rates](#) (see pp. 178 to 179 of 274) in Docket No. DE 22-017 (filed 25 March 2022).
- ✦ Liberty Utilities provides a downloadable spreadsheet (“[Customer Count Data](#)”) that contains monthly load volumes (in addition to customer counts) for competitive and default service dating back to 2007.

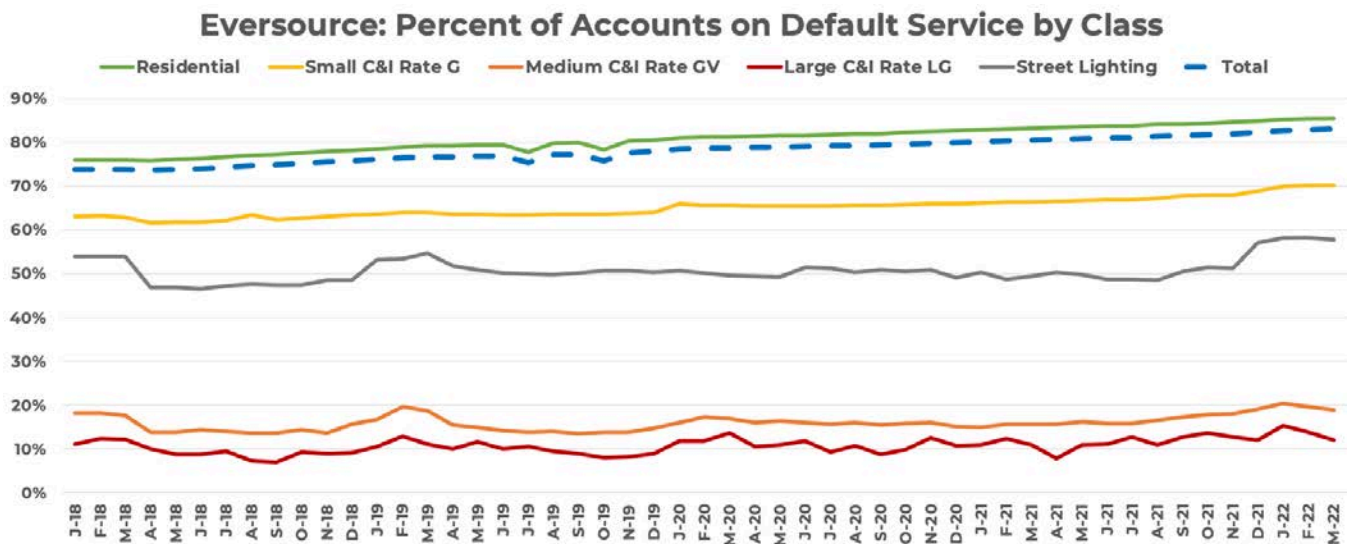


Question 24: What level of competition is expected from Competitive Electric Power Suppliers (CEPs)? Can customers enrolled in CPCNH services opt-out and join a CEP vs. returning to the default utility?

CPCNH Response: Provided adequate notice is given in advance of the next regular meter reading by the distribution utility, customers enrolled in CPA default supply service may switch to take service from a Competitive Electric Power Supplier (CEPS) or their distribution utility and may not be charged any sort of exit fee. Customers that have opted-in to an optional product offered by a CPA may switch back to utility default service, or to take service from a Competitive Electric Power Supplier, subject to any terms and conditions of the optional product. Refer to [RSA 53-E:7](#), VIII and the PUC’s [Initial Proposal for CPA Administrative Rules](#), Puc 2204.05(g).

CPCNH anticipates relatively low levels of competition from CEPS. The market is fragmented, concentrated, and presents barriers to entry. Default service levels have held relatively steady since 2013 and have been increasing in recent years on average. Refer to the draft Business Plan ([RFP reference documents](#)), section “*Weakening of Market Based Mechanisms*” (pp. 21 to 22) and the 6 May 2022 RFP webinar [recording](#) and [slide deck](#) (slides 19 to 23). For relevant methodology and additional analysis, refer to the [testimony of Samuel Golding](#) (bates pp. 48-57) in NH’s Statewide Data Platform docket.

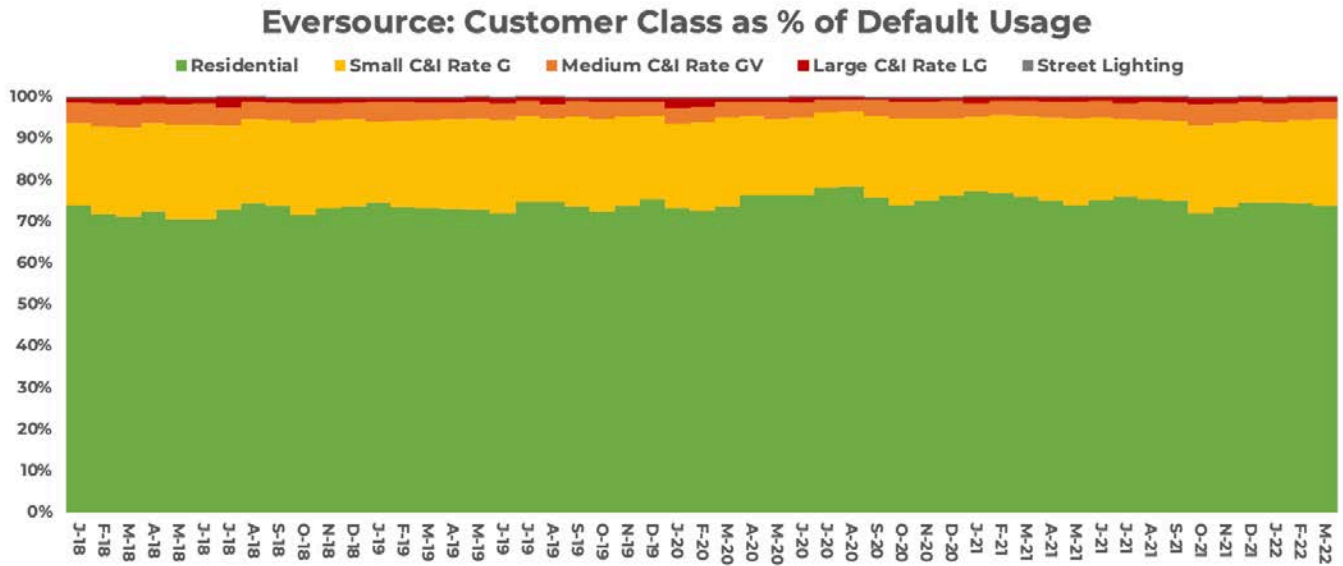
The graph below shows the percentage of customer accounts on default service overall and within each class each month from January 2018 through March 2022 in Eversource’s territory (New Hampshire’s largest distribution utility):



Lastly, CPCNH expects relatively low levels of individual customer switching on an aggregate retail portfolio basis, as residential and small commercial customers comprise the majority of default service load.



The graph below shows the allocation of monthly default service load by customer class in Eversource's territory from January 2018 through March 2022, in which residential and small commercial customers account for 95% of the load on average:



Note that these graphs are based upon a compilation of Eversource's customer migration data from January 2018 through March 2022, available [online here](#). (Refer to CPCNH's response to Question 23 above for all three investor-owned utilities' customer migration reports.)