

**SUNAPEE SELECTBOARD
MEETING MINUTES
TOWN OFFICE MEETING ROOM
OCTOBER 20, 2025, 6:30 p.m.**

Present: Chair Suzanne Gottling; Vice Chair Jeremy Hathorn; Selectboard Members Aaron Whipple, Anthony Dolan

Absent: Selectboard Member Fred Gallup

Also present: Shannon Martinez, Town Manager; members of the Advisory Budget Committee

1. CALL SELECTBOARD MEETING TO ORDER

Chair Gottling called the Selectboard meeting to order at 6:30 p.m.

2. REVIEW OF MINUTES

MOTION to approve the minutes of the October 6, 2025, Selectboard meeting as presented made by Vice Chair Hathorn, seconded by Selectboard Member Dolan. Motion carried 4-0-0.

MOTION to approve the minutes of the September 30, 2025, Tri Town Joint Selectboard meeting as presented made by Selectboard Member Dolan, seconded by Vice Chair Hathorn. Motion carried 4-0-0.

3. REVIEW OF ITEMS FOR SIGNATURE

REPORT OF WOOD OR TIMBER CUT

- Parcel ID: 0238-0040-0000 – Nutting Road – Matthew Ross

CHECK MANIFEST & INVOICE BATCHES

• General Fund	\$140,577.29
• Hydro Fund	\$ 63.44
• Water/Sewer Department	\$ 575.57
• Recreation Revolving Fund	\$ 2,545.31
• Grants Fund	\$ 13,531.35
• 3 Voided Checks	\$ 2,527.92

Town Manager Martinez has reviewed and certified that the listed manifests, totaling \$154,765.04, represent valid and properly processed charges for goods and/or services received by the Town of Sunapee. These charges have been verified as appropriate prior to submission to the Selectboard.

MOTION to approve the Items for Signature made by Selectboard Member Whipple, seconded by Selectboard Member Dolan. Motion carried 4-0-0.

APPROVED LAND USE PERMITS

Since the last Selectboard meeting, 14 permits were approved, including 3 Land Disturbance Applications, 6 General CZC Applications, 1 Interior Renovation CZC, 1 Demolition Permit, 2 Short-Term Rental Registrations, and 1 Alternative Energy System CZC.

4. APPOINTMENTS

6:35 p.m. – Town of Sunapee Energy Aggregation Committee: Signing the Community Power Cost Sharing Agreement

Catherine Bushueff and Doug Hanson of the Sunapee Energy Aggregation Committee and Andrew Hatch of the Community Power Coalition of New Hampshire appeared before the Board. Ms. Bushueff reported that the voters approved the Sunapee Community Power plan at Town Meeting, so it is in a position to be launched when the rates are favorable, which is when the Community Power rate is less than the Eversource default rate. This Agreement is necessary to launch the program.

Mr. Hatch reviewed the details of the Coalition and the steps involved in approving and launching this program, including the timeline involved.

In response to questions from the Board, Mr. Hatch reviewed the process for opting out of participating in the program, and which customers would or would not be automatically enrolled. He explained how electric assistance program customers would be served, and now the contract with Community Power could be unwound. He noted there are no disadvantages to the Board signing this Agreement.

MOTION that the Selectboard authorize the Town Manager to enter into a cost-sharing agreement and member service contract for the complete service bundle with the Community Service Power Coalition of New Hampshire, with Catherine Bushueff as the authorized officer and with elections in Exhibit C, Article VIII, Section 2 of the Agreement being (a) yes, (b) no, and (c) no, and that the Sunapee Selectboard hereby approves CPCNH's Data Security and Privacy, Energy Portfolio Risk Management, Retail Rates, and Financial Reserves policies made by Selectboard Member Whipple, seconded by Chair Gottling. Motion carried 4-0-0.

5. PUBLIC COMMENT

Chair Gottling opened public comment.

Jeff Seifert, 1110 Lake Avenue, Georges Mills, questioned the reliability of the Town's available financial statements.

Chris Whitehouse spoke to the need to understand why last year's budget failed.

Chair Gottling closed public comment.

6. SELECTBOARD ACTION

7. TOWN MANAGER REPORT

Ms. Martinez reviewed the Town Manager report, adding:

- The need to transfer funds between line items to cover expenses in Welfare, Legal, and Information Booth, and why this is necessary.

MOTION to allow the Town Manager to transfer funds between line items as reviewed made by Vice Chair Hathorn, seconded by Selectboard Member Whipple. Motion carried 4-0-0.

8. SELECTBOARD MEMBERS' REPORTS

Selectboard Member Whipple reported on issues being addressed by the Planning Board, including the need for the Selectboard to discuss food trucks on Town property and encouraging the use of ADUs to provide long-term housing.

9. UPCOMING MEETINGS

- October 29, 2025: Abbott Library Trustees Meeting — 5:00 p.m.
- October 30, 2025: Water and Sewer Commission Meeting — 5:30 p.m.
- November 03, 2025: Selectboard Meeting — 6:30 p.m.
- November 05, 2025: Conservation Commission Meeting — 7:00 p.m.
- November 06, 2025: Zoning Board of Adjustments Meeting — 6:30 p.m.
- November 12, 2025: Entergy Aggregation Committee Meeting — 5:30 p.m.

10. ADJOURN SELECTBOARD MEETING

MOTION to adjourn the Selectboard meeting made by Vice Chair Hathorn, seconded by Selectboard Member Whipple. Motion carried 4-0-0.

Selectboard meeting was adjourned at 7:25 p.m.

11. CALL ADVISORY BUDGET COMMITTEE MEETING TO ORDER

Chair Gottling called the Advisory Budget Committee (ABC) meeting to order at 7:26 p.m.

Ms. Martinez noted there was no quorum present, as one of the community members on the ABC resigned earlier that day. Therefore, a non-meeting was held, where they agreed to hold a Selectboard meeting on October 27 at 5:30 p.m. to appoint a new community member to the ABC, with the ABC meeting to follow.

Respectfully submitted,
Beth Hanggeli, Recording Secretary

**SUNAPEE SELECTBOARD
AND
ADVISORY BUDGET COMMITTEE MEETING
MEETING AGENDAS
MONDAY, OCTOBER 20, 2025
6:30 PM - TOWN OFFICE MEETING ROOM**

- **CALL SELECTBOARD MEETING TO ORDER**
- **REVIEW & APPROVE OCTOBER 6TH MINUTES**
 - **REVIEW & APPROVE SEPTEMBER 30th MINUTES: Tri Town Joint Selectboard Meeting**
- **REVIEW OF ITEMS FOR SIGNATURE:
REPORT OF WOOD OR TIMBER CUT**
 - Parcel ID: 0238-0040-0000 – Nutting Road – Matthew Ross

APPROVED LAND USE PERMITS: Since the last Selectboard meeting, 14 permits were approved, including 3 Land Disturbance Applications, 6 General CZC Applications, 1 Interior Renovation CZC, 1 Demolition Permit, 2 Short-Term Rental Registrations, and 1 Alternative Energy System CZC.

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- **APPOINTMENTS:**
 - **6:35 PM:** Town of Sunapee Energy Aggregation Committee: Signing the Community Power Cost Sharing Agreement
- **PUBLIC COMMENT:**
 -
- **SELECTBOARD ACTION:**

- **TOWN MANAGER REPORT:**

- **Transition to .GOV Domain – Cybersecurity and Public Communication Update:** The Town of Sunapee has successfully transitioned to official .GOV email addresses as part of its ongoing cybersecurity improvement initiative. Residents and community partners should note the updated addresses when communicating with Town staff.

This transition is the result of a multi-phase effort funded through a State of New Hampshire Department of Information Technology and Overwatch Foundation Grant, designed to strengthen municipal cybersecurity and resilience.

- **Budget Line Transfers (RSA 32:10):** Seeking authorization from the Selectboard, pursuant to RSA 32:10, to transfer funds between existing budget accounts to cover overextended lines. The proposed transfers would address shortfalls in the Welfare, Legal, and Information Booth budget lines to ensure continued operations through the fiscal year.
- **Firewards and Recreation Committee Appointments:** The Board of Firewards will appear before the Selectboard at the November 3rd meeting to share their observations on the growth and evolving needs of the Sunapee Fire Department, including the discussion of a potential transition to a full-time Fire Chief position. The Firewards will also outline their vision for the department’s future.

Additionally, the Sunapee Recreation Committee will present an overview of this year’s highlights and discuss upcoming goals and initiatives to support continued community engagement and recreation opportunities.

- **SELECTBOARD MEMBERS’ REPORT:**

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- **OUTSTANDING ITEMS:**

-

- **UPCOMING MEETINGS:**

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- **ADJOURN SELECTBOARD MEETING AT 7:00 PM**

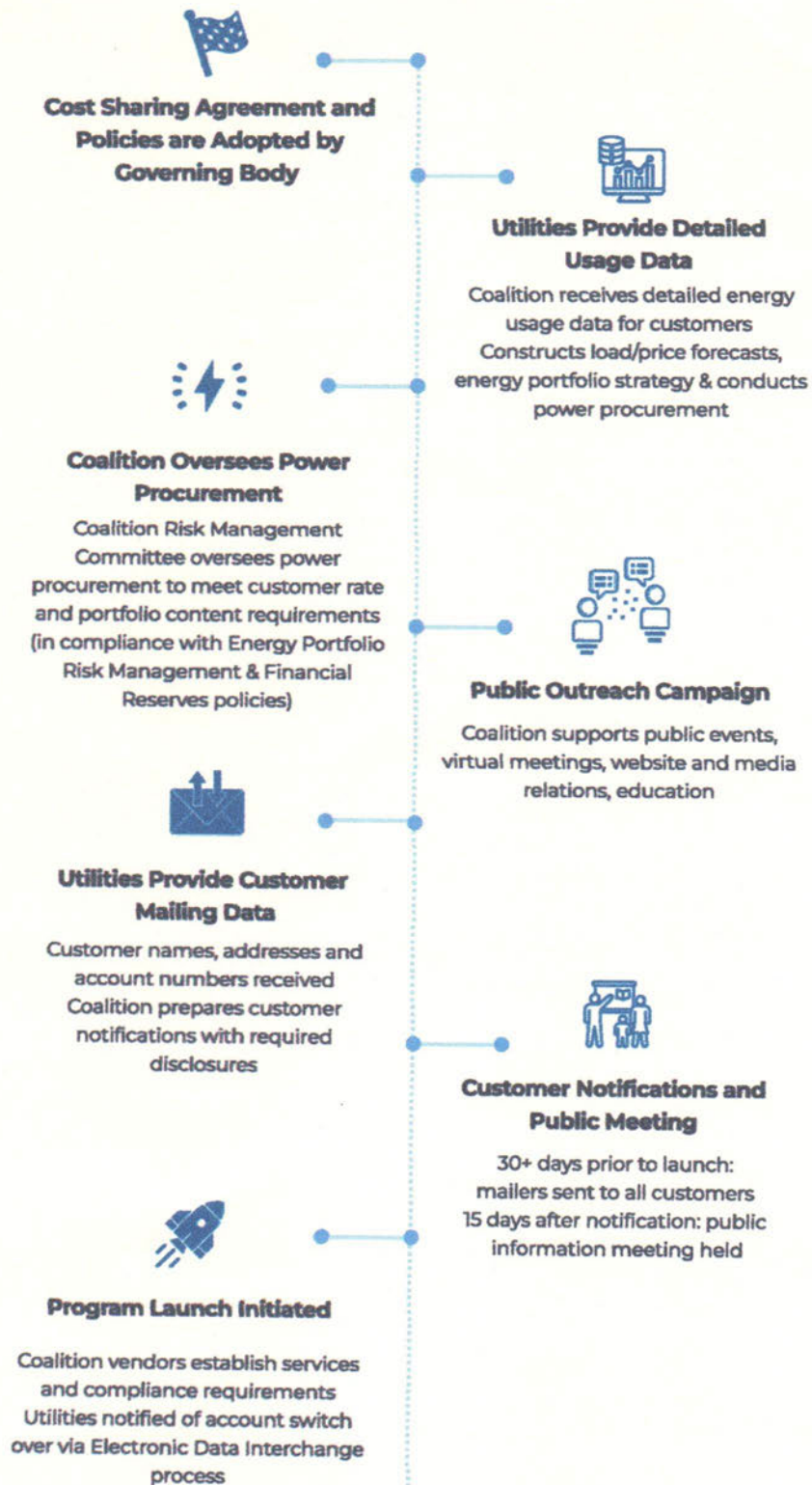
7:00 PM CALL ADVISORY BUDGET COMMITTEE MEETING TO ORDER

- **2026 Budget Discussion**

- **Advisory Budget Committee (ABC) Kick Off Meeting:** In accordance with Town policy, the Advisory Budget Committee is required to meet between October 1 and October 15 each year to discuss the budget charge issued by the Selectboard to the Town Manager. The role of the ABC is to review the budget guidance and expectations. In subsequent meetings, the Committee will offer formal feedback on budget expectations.
- **Committee Election:** Elect a Chair and Vice Chair for the upcoming budget season.
- **Purposeful Budgeting**
 - i. Imperatives
 - ii. Preliminary Warrant Article Discussion
 - iii. Preliminary Project Discussion
- **2025 All-Day Budget Meeting Format:** The annual all-day budget meeting is scheduled for November 6, 2025. After discussions with department heads, the team recommends shifting to a half-day meeting with a revised format designed to encourage greater interaction between the Selectboard and department heads. The goal is to ensure the Board has ample opportunity to ask questions, gain clarity, and feel fully confident in the budget ultimately presented to voters at Town Meeting.
- **Meeting Schedule/Next Steps**

Record #	Record Type	Owner Name	Address	Approval Dates	Project Description	Permit Status
AFS-25-8	Alternative Energy Systems CZC	PINTAL, DANIEL	29 GARNET ST, NH 03782	10/20/2025	INSTALLATION OF 8.8 DC/6.40 AC kw ROOF-MOUNTED SOLAR SYSTEM. TOTAL OF 20 PANELS	Granted
CZC-25-4525	Certificate of Zoning Compliance (CZC) Application	FLINT, CORY L & RENEE P	16 HIGH ST, NH 03782	10/20/2025	RENOVATION OF EXISTING GARAGE AND 320 SQ FT ADDITION.	Granted
CZC-25-4526	Certificate of Zoning Compliance (CZC) Application	BERNARDI, JOHN G & JANICE E	5 WHITE SHUTTERS RD, NH 03782	10/20/2025	DEMO AND REBUILD PRE-EXISTING NONCONFORMING SINGLE-FAMILY DWELLING. MAXIMUM HEIGHT 18' 7", 1008 SQUARE FEET.	Granted
CZC-25-4534	Certificate of Zoning Compliance (CZC) Application	REVER FAMILY TRUST REVER, KURT R. & KATHLEEN J.	90 EMILY LN, NH 03782	10/20/2025	REPLACEMENT OF EXISTING HEAT PUMP SYSTEM, TO INCLUDE THE INSTALLATION OF TWO WALL-MOUNTED SYSTEMS	Granted
CZC-25-4535	Certificate of Zoning Compliance (CZC) Application	WARD III, FRANK M & RYAN, KATHLEEN	43 PINEY POINT RD, NH 03782	10/20/2025	HEIGHT INCREASE OF PRE-EXISTING NONCONFORMING SINGLE-FAMILY DWELLING. NO INCREASE TO LIVING SPACE, HEIGHT NOT TO EXCEED 32' 2"	Granted
CZC-25-4536	Certificate of Zoning Compliance (CZC) Application	ST. PIERRE, KASSIE & JESSE	8 TIMOTHY RD, NH 03782	10/20/2025	INSTALLATION OF WALL-MOUNTED HEAT PUMP SYSTEM	Granted
CZC-25-4537	Certificate of Zoning Compliance (CZC) Application	PINTAL, DANIEL	29 GARNET ST, NH 03782	10/20/2025	INTERIOR RENOVATION TO INCLUDE THE ESTABLISHMENT OF AN ACCESSORY DWELLING UNIT. 576 SQ FT	Granted
DE-25-20	Demolition Permit Application	BERNARDI, JOHN G & JANICE E	5 WHITE SHUTTERS RD, NH 03782	10/20/2025	DEMO OF SINGLE-FAMILY DWELLING TO BE REBUILT IN EXISTING FOOTPRINT.	Granted
ICZC-25-20	Certificate of Zoning Compliance - Interior Renovation	WILLIAMS, STEPHEN & DANIELLE SAGINOR	108 FAIRWAY DR, NH 03782	10/20/2025	INTERIOR RENOVATION OF KITCHEN, BATHROOM, AND FLOORING.	Granted
LD-25-674	Land Disturbance Application	FLINT, CORY L & RENEE P	16 HIGH ST, NH 03782	10/20/2025	TEMPORARY DISTURBANCE OF 585 SQ FT FOR THE RENOVATION OF THE EXISTING GARAGE AND A 320 SQ FT ADDITION.	Granted
LD-25-675	Land Disturbance Application	BERNARDI, JOHN G & JANICE E	5 WHITE SHUTTERS RD, NH 03782	10/20/2025	TEMPORARY DISTURBANCE OF 3,655 FOR THE DEMO AND REBUILDING OF SINGLE-FAMILY DWELLING.	Granted
LD-25-677	Land Disturbance Application	MATTOON, CAROLYN O.	55 BAY RD, NH 03782	10/20/2025	TEMPORARY DISTURBANCE OF 1493 SQ FT FOR THE CONSTRUCTION OF A 12X16 MUDROOM AND PATIO ONTO EXISTING SINGLE-FAMILY DWELLING.	Granted
STR-24-70	Short-Term Rental Registration Application	DAIRY LANE HOLDINGS, LLC	42 OAK RIDGE RD, NH 03782	10/20/2025		Renewed
STR-24-73	Short-Term Rental Registration Application	GRZANNA, RUDIGER J. & TRACEY A.	222 YOUNGS HILL RD, NH 03782	10/20/2025		Renewed

Program Launch Steps



COMMUNITY
POWER COALITION
OF NEW HAMPSHIRE

Program Goes Live

Energy Portfolio Risk Management, Retail Rates, and Financial Reserves Policies

For Communities, By Communities



COMMUNITY POWER COALITION OF NEW HAMPSHIRE

**AMENDED: March 3, 2023 & May 25, 2023
ORIGINAL ADOPTION DATE: December 19, 2022**

CONTENTS

ENERGY PORTFOLIO RISK MANAGEMENT POLICY	1
PHILOSOPHY, OBJECTIVES & SCOPE	1
RISK PHILOSOPHY	1
BUSINESS ACTIVITIES	2
TRANSACTIONING OBJECTIVES	2
SCOPE OF POLICY	3
POLICY ADMINISTRATION, REVIEW AND AMENDMENTS	3
APPROVAL AND AMENDMENT OF REGULATIONS	4
APPLICABILITY	4
RISK EXPOSURES	4
MARKET RISK	4
VOLUMETRIC RISK	4
OPT-OUT RISK (CUSTOMER ATTRITION RISK)	4
COUNTERPARTY CREDIT RISK	5
LIQUIDITY AND COLLATERAL RISK	5
REGULATORY AND LEGISLATIVE RISK	6
OPERATIONAL RISK	6
REPUTATION RISK	6
RISK STRATEGY & PARAMETERS	7
PORTFOLIO STRATEGY & COST ALLOCATION	7
PORTFOLIO DIVERSIFICATION	7
COUNTERPARTY DIVERSIFICATION & CREDIT EXPOSURE	7
DEFAULT RATE BENCHMARKING	8
REPORTING REQUIREMENTS	8
RISK METRICS	9
POSITION LIMITS (HEDGE RATIOS)	9
RISK CONTROL PRINCIPLES	11
CONTROL PRINCIPLES	11
TRANSACTION STRUCTURES AND AUTHORIZATION	12
SEGREGATION OF DUTIES	13
CONFLICTS OF INTEREST	13
ROLES, RESPONSIBILITIES & ORGANIZATION	13
CPCNH BOARD OF DIRECTORS	13
CHIEF EXECUTIVE OFFICER OR BOARD CHAIR	13
RISK MANAGEMENT COMMITTEE (RMC)	14
FRONT OFFICE	14
MIDDLE OFFICE	15
BACK OFFICE	15
AUTHORITIES, DELEGATIONS, LIMITS, AND PROHIBITIONS	15
POLICY COMPLIANCE	16

COMPLIANCE EXCEPTIONS	16
REPORTING OF EXCEPTIONS	16
INDEPENDENT PERFORMANCE EVALUATIONS	16
RESERVES	16
INTERNAL SYSTEMS, TOOLS, AND STAFF TRAINING	17
RETAIL RATES POLICY	18
PURPOSE	18
REQUIREMENTS AND OBJECTIVES	18
ELECTRIC ASSISTANCE PROGRAM DISCOUNTS	19
POLICY AMENDMENTS	19
DEFAULT RATE SETTING PROCESS	19
MEMBER ELECTIONS OF RATE PRODUCTS AND DISCRETIONARY RESERVE ADDERS	19
EMERGENCY DEFAULT RATE ADJUSTMENT AUTHORITY	20
RATE STRUCTURE TYPES	20
DISCOUNT TO UTILITY TARIFF RATES	20
FIXED PRICE COST OF SERVICE BASED RATES	20
TIME OF USE (TOU) RATES	20
NET METERING RATES	20
INDEX PLUS ADDER RATES (PASS-THROUGH)	21
FIXED & INDEX BLEND AND/OR VARIABLE TERM RATES	21
OTHER RATE STRUCTURES	21
RATE PRODUCT TYPES AND APPROVAL AUTHORITIES	21
DEFAULT SERVICE	21
ALTERNATE CUSTOMER RATE OPTIONS (OPT-UP OR OPT-DOWN)	22
NET ENERGY METERING OFFER	22
NON-RESIDENTIAL ADDITIONAL AND CUSTOM OFFERS (OPT-IN)	23
RATE PRODUCT CONTENT AND MEMBER ELECTIONS	23
MEMBER ELECTIONS	23
PRODUCT CONTENT	24
FINANCIAL RESERVES POLICY	25
PURPOSE	25
OBJECTIVES	25
RIGHTS OF MEMBERS TO RESERVE CONTRIBUTIONS	26
MEMBER RESERVE & COST ALLOCATION ACCOUNTING	26
MEMBER ACCRUAL AND USAGE OF DISCRETIONARY & EXCESS RESERVES	26
MEMBER RESERVE SETTLEMENTS UPON WITHDRAWAL OR TERMINATION	27
JOINT RESERVE TARGET LEVELS ESTABLISHED	27
JOINT RESERVE TARGET LEVELS MAINTAINED	27
REPLENISHMENT OF MINIMUM RESERVES	27
RESERVES BETWEEN MINIMUM AND MAXIMUM	28

JOINT RESERVE FORECASTING, REPORTING, AND EVALUATION	28
REGULAR FORECASTING OF RESERVE LEVELS	28
PERIODIC REVIEW OF RESERVE TARGET LEVELS	28
ANNUAL CONSIDERATION OF FORECASTED RESERVE LEVELS AND TARGETS	28
CONDITIONS FOR USE OF JOINT RESERVES	29
BOARD AND MEMBERSHIP AUTHORITY TO AMEND	29
DEFINITIONS	30



ENERGY PORTFOLIO RISK MANAGEMENT POLICY¹

Philosophy, Objectives & Scope

This Energy Portfolio Risk Management Policy (EPRM Policy) outlines the philosophies and objectives of the Community Power Coalition (CPCNH) Board of Directors (Board) in governing and making decisions necessary to provide the credit support, portfolio analytics, hedging, and daily operating activities required to implement and operate Community Power Aggregation (CPA) power supply services.

The Risk Management Committee (RMC) is responsible for ensuring the development and maintenance of CPCNH's Energy Portfolio Risk Management Regulations (EPRM Regulations) to expand on the roles, strategies, controls, and authorities authorized in this policy to form a comprehensive energy risk management program.

Risk Philosophy

As a Joint Powers Agency, CPCNH is in the business of procuring and generating energy for the benefit of its participating Member CPAs. The goal of this policy is to:

- ⚡ Serve Member CPA needs subject to Board approved risk tolerance limits.
- ⚡ Provide as much energy supply cost certainty for CPA customers as reasonably possible while maintaining a least cost portfolio.
- ⚡ Develop and enhance the value of CPCNH and Member CPA assets to meet the financial and local policy goals of the participating Members.

CPCNH recognizes that novel technologies, market dynamics, and regulatory shifts are combining to create new levels and dimensions of risk, and opportunities, that must be integrated into CPCNH's portfolio risk management program.

CPCNH's objective is to develop the least cost, greatest value portfolio to meet load requirements of CPA customers, while maximizing revenues from sales of surplus energy from wholesale and local project resources, and creating new sources of revenue through the intelligent design and integration of price-responsive customer rates, market-enabling products, and local programs (e.g., portfolio optimization).

Unlike a private-sector supplier, CPCNH's primary business purpose is to serve its Members. CPCNH's goal is to be a cost hedger for its Member CPAs load and is therefore precluded by this policy from engaging in purely speculative activities typical to many organizations oriented toward profit maximization.

CPCNH also recognizes that there are additional risks beyond those related to normal power supply operations and hedging activities. CPCNH's goal is to limit, to

¹ Amended at 5/25/23 Board of Directors Meeting to insert "six weeks" in place of "one month" in the 1st sub-bullet under the 1st bullet after the 1st paragraph under "Discount to Utility Rates" on p.10.



the extent practicable, exposure to those risks This document serves as a vehicle to describe and define the limits for activities considered as appropriate for CPCNH in a normal course of business of serving loads and procuring power.

Business Activities

CPCNH's primary business is to procure or produce electricity supply to meet CPA customer load requirements. The resource supply portfolio may consist of fixed and variable priced supply contracts of varying lengths, physical assets (such as power plants and distributed energy resources), and agreements for other related supplies and services needed to ensure reliable delivery of electricity to CPA customers.

The objective of the EPRM Policy is to provide a framework for conducting procurement activities that maximize the probability of CPCNH meeting its goals. The policy documents the framework by which CPCNH will:

- ✦ Identify risks associated with the procurement of power supply.
- ✦ Identify those responsible for administering the various elements of the risk management policy from procurement operations to oversight activities.
- ✦ Set parameters and methodologies for managing risk associated with procuring and hedging the power supply portfolio including the specification of authorized products, terms, and transaction limits.
- ✦ Provide for the accrual of reserve funds for the purpose of satisfying all financial obligations and objectives associated with management of the portfolio.

The EPRM Policy applies to all power procurement and related business activities that may impact the risk profile of CPCNH and its Member CPAs.

Transacting Objectives

CPCNH's objectives when transacting on behalf of Member CPAs for the procurement of energy and energy related supplies and services are as follows:

1. Meet customer all-requirements electricity requirements, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard.
2. Provide competitive rates for the participating Member CPAs, and stability and choice for participating customers.
3. Obtain the best available price for power supply while complying with the requirements of this policy and other objectives established by the Board.
4. Develop local renewable, battery storage, and distributed energy projects and customer programs.
5. Manage CPCNH's assets to optimize value.



6. Act to limit exposure to extreme market system changes.
7. Follow effective wholesale counterparty credit management procedures.
8. Develop and maintain financial reserves.
9. Develop and maintain CPCNH's investment grade credit rating.

CPCNH's overall transacting objective is to meet the load requirements of Member CPA customers with an optimized portfolio.

Scope of Policy

This EPRM Policy prescribes the management organization, authority, and processes to monitor, measure and control the risks to which CPCNH is exposed in the normal course of business arising primarily from CPCNH's participation in the wholesale energy markets. CPCNH is exposed to three quantifiable risks:

1. Volumetric risk: load and resource variability.
2. Price risk: market-related cost variability.
3. Counterparty Credit and Collateral Call risk: potential default by a counterparty or requirement to post collateral

This policy applies to all energy and energy related transactions made by CPCNH, and the term "risk management" is herein understood to refer solely to risks related to participation in wholesale energy markets as herein defined.

Specific methodologies used to measure, monitor, and control these risks shall be established by the Risk Management Committee, in accordance with sound utility practices and included in the EPRM Regulations.

From the perspective of risk mitigation, CPCNH's primary objective is to cover load and optimize the value of assets. Taking risks unrelated to CPCNH's normal power supply business activities, is not permitted.

CPCNH is also exposed to regulatory, operational and reputation risks. These risk categories and exposures are managed pursuant to CPCNH's Enterprise Risk Management Policy (ERM Policy).

Policy Administration, Review and Amendments

Energy Portfolio Risk Management will be a regular reporting standing agenda item at meetings of the Risk Management Committee and Board.

The Board, in consultation with the Risk Management Committee, is responsible for adopting this policy and reviewing it as needed at least every two calendar years.

The Board must approve amendments to the EPRM Policy. Advance written notice of Board meetings at which changes to this Policy are proposed shall be sent by the CEO or Board Chair to the principal executive officers of each Member that has executed the Member Services Contract for the Complete Services Bundle. Subsequently, any such amendment shall be sent by the CEO or Board Chair to the



principal executive officers of each Member that has executed the Member Services Contract for the Complete Services Bundle.

Approval and Amendment of Regulations

After the EPRM Regulations are initially approved by the Board, the regulations may be amended with approval of the CEO, in consultation with the RMC, provided that the CEO sends prompt written notice to the Board of any such amendments.

Applicability

This EPRM Policy is effective immediately upon its adoption by the Board. It applies to CPCNH's wholesale supply operations, long-term contracting for energy/capacity and services, acquisition of generation resources, credit risk management and other related ancillary activities undertaken by CPCNH.

CPCNH Officers, Directors, staff, and contractors engaged in portfolio risk management will adhere to and be governed by this EPRM Policy.

Risk Exposures

CPCNH must procure electric power supplies and operate in the wholesale energy market which exposes CPCNH, and ultimately the customers of participating Members, to various risks. The risks listed relate to CPCNH participation in wholesale and retail markets as a Load Serving Entity (LSE). These categories are defined and explained as follows.

Market Risk

Market risk is the uncertainty of CPCNH's financial performance due to variable commodity market prices (market price risk) and uncertain price relationships (basis risk). Variability in market prices creates uncertainty in CPCNH's procurement costs, which has a direct impact on customer rates.

Volumetric Risk

Volumetric risk reflects the potential adverse financial outcomes due to the uncertainty in the quantity of different power supply products required to meet the needs of CPCNH and its members. Customer load is subject to fluctuation due to customer opt-outs or departures, temperature deviation from normal, unforeseen changes in the growth of behind the meter generation by CPCNH customers, unanticipated energy efficiency gains, new or improved technologies, as well as local, state, and national economic conditions.

Opt-Out Risk (Customer Attrition Risk)

Opt-out or attrition risk occurs when customers opt-out of the program by choosing a different supplier. Opt-out risk may be realized by any condition or event that creates uncertainty within, or a diminution of, CPCNH's customer base. Opt-out risk is manifested in two separate ways:



1. First, the ability of customers to return to bundled service from NH utilities creates uncertainty in CPCNH's revenue stream, which is critical for funding EPRM goals
2. Second, customer opt-out risk can potentially challenge the ability of CPCNH to prudently plan for, and cost effectively implement, long-term resource commitments made on behalf of its member communities and the customers it serves

Counterparty Credit Risk

Performance and credit risk refers to the inability or unwillingness of a counterparty to perform according to its contractual obligations or to extend credit. Failure to perform may arise if an energy supplier fails to deliver energy as agreed. There are different general performance and credit risk scenarios:

- ⚡ Counterparties and wholesale suppliers may fail to deliver energy or environmental attributes, requiring CPCNH to purchase replacement products elsewhere, possibly at a higher cost.
- ⚡ Counterparties may fail to take delivery of energy or environmental attributes sold to them, necessitating a quick resale of the product elsewhere, possibly at a lower price.
- ⚡ Counterparties and suppliers may refuse to extend credit to CPCNH, possibly resulting in higher collateral posting costs impacting CPCNH's cash and bank lines of credit.

During the normal course of business CPCNH is exposed to counterparty risk from energy suppliers. In this context, an important subcategory of credit risk is concentration risk. When a portfolio of positions and resources is concentrated in one or a very few counterparties, sources, or locations, it becomes more likely that major losses will be sustained in the event of non-performance by a counterparty or supplier or as a result of price fluctuations at one location.

Liquidity and Collateral Risk

During the normal course of business CPCNH is exposed to liquidity risk to fund operations, meet ISO-NE collateral requirements and potential collateral obligations from bilateral power purchases.

Liquidity Risk is the risk that CPCNH will be unable to meet its financial obligations. This can be caused by unexpected financial events and/or inaccurate pro forma calculations, rate analysis, and debt analysis. Some unexpected financial events impacting liquidity could include:

- ⚡ Breach of CPCNH credit covenants or thresholds. Any breaches of existing and future credit covenants on CPCNH agreements could result in the withdrawal of CPCNH's line of credit or trigger the requirement to post collateral.
- ⚡ Calls for collateral from the ISO-NE or CPCNH's counterparties based on terms of transacting agreements.



- ⚡ CPCNH may be the subject of legal or other claims arising from the normal course of business. Payment of a claim by CPCNH could reduce CPCNH's liquidity if the cause of loss is not covered by CPCNH's insurance policies.

CPCNH will use industry best practices to manage potentially collateral posting and liquidity risk to the energy suppliers (i.e., requirement to post collateral per contractual terms).

Regulatory and Legislative Risk

CPCNH is subject to an evolving legal and regulatory landscape. Regulatory risk encompasses risks associated with shifting state and federal regulatory policies, rules, and regulations that could negatively impact CPCNH. Legislative risk is associated with actions by federal and state legislative bodies, such as any adverse changes or requirements that may infringe on CPCNH's autonomy, increase its costs, impact its customer base, or otherwise negatively impact CPCNH's ability to fulfill its mission.

Operational Risk

Operational risk is the uncertainty of CPCNH's financial performance due to weaknesses in the quality, scope, content, or execution of human resources, technical resources, and/or operating procedures within CPCNH. Operational risk includes the potential for:

- ⚡ Organizational structure that is ineffective in addressing risk (i.e., the lack of sufficient authority to make and execute decisions, inadequate supervision, ineffective internal checks and balances, incomplete, inaccurate, and untimely forecasts or reporting, etc.).
- ⚡ Absence, shortage or loss of key personnel or lack of cross functional training.
- ⚡ Lack or failure of facilities, equipment, systems, and tools such as computers, software, communications links and data services.
- ⚡ Exposure to litigation or sanctions resulting from violating laws and regulations, not meeting contractual obligations, failure to address legal issues and/or receive competent legal advice, not drafting and analyzing contracts effectively, etc.
- ⚡ Errors or omissions in the conduct of business, including failure to execute transactions, violation of guidelines and directives, etc.
- ⚡ Model risk that results in an inaccurate or incomplete representation of CPCNH's actual or forecast financial performance due to deficiencies in models and/or information systems used to capture all transactions.

Reputation Risk

Reputation risk is the potential that CPCNH's reputation is harmed, causing members or customers to opt-out of CPCNH service and migrate back to NH utilities. It includes the potential for energy market participants to view CPCNH as an



untrustworthy business partner, thus reducing the pool of potential counterparties and/or having counterparties apply a CPCNH-specific risk premium to pricing.

Risk Strategy & Parameters

An important aspect of implementing an overall energy risk management policy is the development of related strategies to mitigate all of the related risks associated with energy transacting activities. The key strategies of CPCNH are outlined below.

Portfolio Strategy & Cost Allocation

The portfolio management process involves (1) continuous monitoring and modeling of market developments, customer load commitments, rates, attrition, and any offsetting hedge positions, (2) entering into and out of transactions with counterparties to minimize the cost and risk of providing all-requirements electricity, and (3) scheduling load and resources into the ISO-NE wholesale market, and subsequently settling financial obligations with the market operator and counterparties after the conclusion of each trading day.

To minimize the administrative and transaction costs associated with portfolio management, CPCNH will manage one whole portfolio to meet the combined electricity requirements of its Member CPAs. Probabilistic “at-risk” metrics will be used to inform portfolio hedging decisions to manage risk in the context of NH and ISO-NE markets, within the limits set in this policy and the EPRM Regulations. Structures will be put in place to address the accounting of cost to serve by CPA, timing of launch, and customer class.

Portfolio Diversification

CPCNH will strive to develop and maintain a diversified portfolio of physical and financial energy contracts to manage wholesale market risk exposures in an optimal fashion by incorporating a variety of fuel types, contract and pricing terms, counterparties, geographic locations, and types of products and preferred sources (e.g., renewables and battery storage assets, local generators, customer-generators, demand response programs, etc.).

Counterparty Diversification & Credit Exposure

To the extent practical, CPCNH will strive to create a diversified portfolio with multiple counterparties to diversify counterparty exposure.

Pursuant to master enabling agreements approved by the Board, the RMC may authorize entering into transactions with counterparties that possess at least a BBB- (or equivalent investment grade rating) by a nationally recognized statistical rating organization (NRSRO), and with counterparties rated below BBB- pending collateral, parental guarantees, or mutual concessions in credit requirement negotiations.

Effective counterparty management and credit analysis is essential to mitigate counterparty risks from wholesale market transactions. The market value, credit exposure and potential collateral requirements will be monitored using Mark-to-



Market (MtM), Potential Future Exposure, and Collateral Call risk metrics. Methodologies for these metrics and objectives are set forth in the EPRM Regulations.

Default Rate Benchmarking

CPCNH's active portfolio management strategy involves taking certain risks relative to benchmark procurement practices from NH utilities. As of December 2022:

- ✦ Eversource, Unitil, and Liberty Utilities set default supply rates every six months after entering into all-requirements contracts with suppliers, with fixed prices that include a premium to cover the volumetric risk that suppliers are assuming by agreeing to serve customers.
- ✦ The New Hampshire Electric Cooperative actively manages its portfolio, and therefore retains and manages the associated risk of supplying customers itself.

CPCNH will monitor competitor procurement practices and modify its procurement strategy as warranted. Certain key risks for CPCNH in this context are that:

- ✦ Any net open positions that CPCNH has relative to the benchmark procurement practice of the utility in question represents an active risk position for CPCNH.
- ✦ CPCNH will also be exposed to volumetric risk from higher/lower loads than expected volumes and covariance with market prices.

Reporting Requirements

A vital element of this Policy is the regular identification, measurement, and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with CPCNH's procurement-related business activities and performance relative to goals.

CPCNH measures and updates its risks using a variety of tools that model programmatic financial projections, market exposure and risk metrics, as well as through short term budget updates.

CPCNH seeks to manage financial exposure to higher-volatility spot market wholesale electricity using hedges. Hedge execution and/or adjustments decisions are supported through timely and automated reporting that presents essential factors behind CPCNH success such as headroom and attrition potential.

The following items are measured, monitored, and reported on at least a weekly basis, or as warranted given daily monitoring of market conditions, with monthly delivery of a reporting packet to RMC:

1. **Open Position (MWh):** net open positions for all energy, capacity, and environmental products.
2. **Open Position (\$):** the notional dollar and/or probabilistic-based risk exposure of open portfolio positions at current market prices.



- 3. Expected Gross Margins:** expected GM based on current market prices
- 4. Expected Cost of Supply:** marking to market is the process of determining the current value of contracted supply
- 5. Expected Reserve Levels:** to ensure reserves meet the targeted thresholds as outlined in CPCNH's Financial Reserve Policy.

Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure CPCNH adjusts its methods to reflect the evolving competitive landscape.

Risk Metrics

Portfolio management decisions are supported by risk metrics derived from simulations of future market conditions, loads, and other material risk drivers for the portfolio. The following probabilistic risk metrics are regularly calculated and reported:

- 1. Gross Margin at Risk:** Potential adverse changes in net revenues for a given time period and confidence level.
- 2. Rates at Risk:** Potential adverse changes to CPCNH's rate competitiveness, relative to the four default utility supply rates, for a given time period and confidence level.
- 3. Reserve Levels at Risk:** Potential adverse change in reserves for a given time period and confidence level.
- 4. Potential Future Exposure for counterparty credit risk:** Maximum Mark-to-market counterparty exposures for a given time period and confidence level.
- 5. Potential Collateral Exposure:** Maximum of collateral that CPCNH may have to post for a given time period and time horizon with a given counterparty.

Stress tests will also be used to understand the potential variability in CPCNH's projected procurement costs, and resulting retail rate impacts and competitive positioning, associated with adverse scenarios of material risk drivers.

Position Limits (Hedge Ratios)

While relying on risk metrics to guide procurement decisions over time, CPCNH will purchase energy on a forward basis to hedge against the risk of open load positions within the minimum and maximum Hedge Ratio Percentages defined herein.

- ⚡ Hedge Ratio Percentages are calculated monthly, separately for on-peak and off-peak periods, as the sum of supply resources and fixed price contracts for day-ahead power delivered to the ISO-NE New Hampshire Zone divided by forecasted loss-adjusted weather-normalized load (i.e., covered positions expressed as a percentage of forecasted wholesale load).
- ⚡ Maintaining minimum and maximum Hedge Ratio Percentages is intended as a framework to manage market risk, by limiting CPCNH's net open exposure while allowing flexibility in procurement sufficient to maintain competitive rates.



- ⚡ The objective in allowing such flexibility is to develop a procurement strategy focused on hedging against the risk of open load positions, so as to mitigate exposure to market price volatility and other pricing risk.

CPCNH's Hedge Ratio Percentages shall be a function of the rate setting method relied upon to offer rates for customers over different periods and methodologies:

- ⚡ “Discount to Utility” or “Auction Based Rates” refers to setting rates over the same periods as the incumbent utilities and is designed to support and enable CPAs to consistently maintain discounts for customers. CPCNH intends to offer default service primarily under this ratesetting methodology.
- ⚡ “Cost of Service” or “Fixed Price Rates” refers to setting rates for periods that are not designed to align with or necessarily discount against the incumbent utility's default rate periods and prices.
- ⚡ “Index Plus Adder Rates” or “Pass-Through Rates” refers to rates that charge customers the ISO-NE wholesale cost of their actual interval metered electricity usage priced at the ISO-NE New Hampshire Zone, with an adder to cover the customer's RPS compliance and capacity costs as well as CPCNH's cost of providing service. Since the customer is bearing the price risk, index rates are not covered by Hedge Ratio Percentages, unless a portion of the rate offered to the customer is fixed (e.g., a “Fixed & Index Blend” or “Variable Term Rate”), in which case the fixed-rate load obligation is included in the Cost of Service or Discount to Utility Hedge Ratio Percentages (as appropriate).

Discount to Utility Rates

If rate setting is based upon setting rates for the same periods as incumbent utilities, then CPCNH shall hedge load obligations by maintaining Hedge Ratio Percentages in accordance with the limits below:

- ⚡ Leading up to and during the Utility Standard Offer Flow Period:
 - By six weeks prior to the period, Hedge Ratio Percentages shall be maintained between 40% and 110% for the period.
 - By the last trading day prior to the period, Hedge Ratio Percentages shall be maintained between 60% and 110% for the period.
 - By one month prior to power delivery, Hedge Ratio Percentages for the delivery month shall be maintained between 80% and 110%.
 - By one month prior to power delivery and thereafter, throughout the current period, Hedge Ratio Percentages may be increased up to 125% with the approval of the LSE.
- ⚡ For the period following the current Utility Standard Offer Flow Period:
 - For the twelve-month period following the current Utility Standard Offer Flow Period, Hedge Ratio Percentages may be up to 70%.



- For the subsequent period, Hedge Ratio Percentages may be up to 50% for the period extending 24-months from CPCNH’s Power Start Date.
- Beginning one year after CPCNH’s Power Start Date, Hedge Ratio Percentages may be up to 50%, for the period extending 36-months from the current trading day.

Fixed Price Rates

If rate setting is based upon fixed price offer extended to customers over periods that are not designed to align with and discount against utility default rate periods, the following table of Hedge Ratio Percentages shall apply to hedging load obligations:

Months to Delivery *		Cost of Service ("Fixed Price" Rates)	
		Minimum	Maximum
0+	3	80%	110%**
3+	6	50%	110%
6+	9	40%	90%
9+	12	40%	90%
12+	18	30%	90%
18+	24	20%	90%
24+ *	36	20%	90%

* Hedging shall not extend beyond 36 months from the date that CPCNH first begins providing electricity service to CPA customers, until one year from that date.

** May be increased up to 125% with the approval of CPCNH's Load Serving Entity, as provided for in the EPRM Regulations.

Risk Control Principles

Control Principles

CPCNH will strive to conduct its energy risk management activities following best practices of the wholesale electric industry. A balance between costs and benefits will determine most effective controls, which are generally expected to meet the requirements of generally accepted auditing standards (GAAS), financial institutions and credit rating agencies. The processes to identify, monitor, control and track risk exposure will follow these principles:

1. Delegation of authority that is commensurate with responsibility and capability, and relevant training to ensure adequate knowledge to operate in and comply with rules associated with the markets in which they transact (e.g., ISO-NE).



2. Contract origination, commercial approval, legal review, invoice validation, and transaction auditing shall be performed by separate staff or contractor for any single transaction. No single staff member shall perform all these functions on any transaction.
3. Defining authorized products and transactions.
4. Defining proper trade capture process for executing power supply contracts.
5. Complete and precise capture of transaction data.
6. Meaningful summarization and accurate reporting of transactions and other activity at regular intervals.
7. Consultation with legal counsel on all legal issues related to this Policy.
8. Timely and accurate risk and performance measurement at regular intervals.
9. Compliance reviews to ensure that this Policy and the EPRM Regulations are adhered to, with specific guidelines for resolving instances of noncompliance.
10. Active participation by senior management in risk management processes.
11. CPCNH and service providers relied upon to provide for operations will be appropriately subject to regular audits.

The RMC is responsible for ensuring that the EPRM Regulations provide for the controls required to implement this Policy. The required controls shall include all customary and usual business practices designed to (1) prevent errors and improprieties, (2) ensure accurate and timely reporting of results of operations and other information pertinent to management, and (3) facilitate attainment of business objectives.

Transaction Structures and Authorization

CPCNH will transact in certain types of physical and financial products to mitigate various risks outlined in this policy. CPCNH shall have authorization to transact the following products subject to the enabling procedures and limits set forth in the EPRM Regulations:

- ✦ Physical power (e.g., Internal Bilateral Transactions (IBTs), physical tolls, etc.).
- ✦ Financial power or gas swap or futures (e.g., fixed-for-floating swaps, basis swaps, exchange-traded futures contract).
- ✦ Financial power or gas options.
- ✦ Financial Transmission Rights (FTR) obligations.
- ✦ Financial Transmission Rights (FTR) options.
- ✦ Environmental products to meet the Renewable Portfolio Standard (RPS).
- ✦ Products to hedge ISO-NE non-energy costs (Capacity, Ancillaries, etc.).



The RMC is responsible for ensuring that the EPRM Regulations authorize transaction types in accordance with this policy.

Segregation of Duties

CPCNH will ensure that integrated but separate responsibilities are in place to control risks with clearly defined roles and responsibilities for the Front Office, Middle Office, and Back Office. Those responsibilities will be delegated to third parties until CPCNH assumes some or all of those functions. CPCNH will maintain oversight functions of these defined roles and ensure they are performed in compliance with this policy.

Conflicts of Interest

CPCNH Directors, Officers, Alternates, Employees, Volunteers, consultants, and any other person acting for or on behalf of CPCNH — except for employees of Members who are not Directors or Alternates, acting in a ministerial (i.e., non-decisional) capacity as part of their public employment — are bound by the terms of CPCNH's Conflict of Interest Policy, unless otherwise noted in contractual agreements between CPCNH and said parties.

CPCNH employees engaged in energy supply resource transactions, counterparty credit evaluation or oversight of the foregoing, are barred from directly investing in or otherwise having a direct financial interest in any company with whom CPCNH has consummated energy or related purchases or sales within the last two years.

Roles, Responsibilities & Organization

This section defines the overall roles and responsibilities for implementation of this EPRM Policy. The coordinated efforts of personnel across several divisions are required to successfully implement CPCNH's risk management program. The basic roles and responsibilities of each organizational function are outlined below.

CPCNH Board of Directors

The Board has the ultimate oversight over CPCNH operations and is responsible for establishing an organizational-wide framework for risk management and ensuring that risk management results are achieved as planned. The Board shall approve and establish organizational policies for risk management and delegate to the CEO the responsibility for implementing the EPRM Policy. With responsibility for the ultimate oversight over CPCNH operations, the Board shall be responsible to ensure that risk management results are achieved in accordance with this policy.

Chief Executive Officer or Board Chair

The CEO (or alternatively hereafter, in the absence of the CEO, the Board Chair) has specific and overall responsibilities for implementing the EPRM Policy and for communicating risk management issues to the Board. The CEO shall be responsible for delegating specific duties for carrying out the policy and ensuring compliance with it by all affected CPCNH employees or contractors. The Board acknowledges



that the CEO may delegate certain functions to the RMC, where delegation is ratified by this policy.

Risk Management Committee (RMC)

The RMC is responsible for maintaining and overseeing compliance to this policy. The primary responsibility of the RMC is to ensure that the procurement activities carried out on behalf of CPCNH are executed within the guidelines of this Policy and are consistent with the Member's goals. RMC is responsible for:

- ✦ Evaluating and voting on all proposed hedging recommendations.
- ✦ Determining if changes in the hedging strategy, or changes to this policy, are warranted.
- ✦ Understanding the financial and risk models relied upon to support hedging decisions.
- ✦ Understanding and reviewing the risk reports used to monitor for compliance with this policy.
- ✦ Reviewing the effectiveness of all hedging and procurement activities.
- ✦ Reviewing any reported violations to this policy.

Front Office

CPCNH's Front Office role has the responsibility for managing CPCNH's market price risk associated with Member CPA load serving requirements. The Front Office is responsible for:

1. Analyzing fundamental factors affecting load and supply, and net position.
2. Analyzing CPCNH's net position's exposure to market price risk.
3. Communicating results to the RMC and proposing transactions within the limits of this policy to balance those positions.
4. Recommending additional transaction types for approval by RMC, pursuant to the EPRM Regulations.
5. Negotiating the price and structure of hedging transactions with counterparties.
6. Transacting with counterparties only after approval from the RMC or within delegated limits approved by the RMC, and subject to those transactions:
 - Being for an approved product and executed with a counterparty with an approved credit limit.
 - Being duly authorized, within risk limits, and not causing either aggregate or individual counterparty credit limits to be exceeded.
 - Utilizing contract terms intended to minimize the risk of loss if a counterparty fails to deliver, take delivery, or pay for transactions provided.
 - Being executed and documented following standardized procedures.



- Complying with applicable laws, regulations, and court orders.

CPCNH's Front Office will maintain a list of authorized personnel approved to transact by the RMC. Any requested changes to the list of authorized personnel will be subject to RMC approval.

Middle Office

CPCNH Middle Office will provide independent oversight of the Front Office functions and adherence to this policy. The Middle Office is responsible for:

- ✓ Providing independent oversight of load, supply, hedge positions, and net position.
- ✓ Maintaining the list of approved products.
- ✓ Ensuring accurate market curves used in valuation and risk management.
- ✓ Overseeing and validating the risk management models including prices, price volatilities and price correlations used in price simulations.
- ✓ Ensuring accurate load forecasts and load simulations.
- ✓ Calculating Counterparty Credit Exposure.
- ✓ Preparing position and risk reports for and providing feedback to the RMC.

Back Office

CPCNH Back Office Functions will provide the administrative activities to support the execution of Front Office transactions. The Back Office will provide a wide range of supporting activities necessary to settle transactions with counterparties and support Middle Office risk control responsibilities consistent with this policy.

The Back Office has the responsibility for ensuring that transactions with counterparties meet all the terms intended by the Front Office. Primary responsibilities are:

- ✓ Confirmation of all transactions and reconciliation of differences with the counterparty.
- ✓ For exchange traded products through a clearing broker, the Back Office should balance daily with the broker statement.
- ✓ Reviewing transactions adherence to approved limits.
- ✓ Ensuring all trades have been entered into the system of record.
- ✓ Monitoring Counterparty Credit Exposure and report mark-to-market exposures relative to contractual contract requirements.

Authorities, Delegations, Limits, and Prohibitions

All executed transactions shall conform to the policies set forth herein. It shall be the responsibility of the RMC, with approval of the CEO, to establish appropriate



individual transacting authority limits for the various personnel and contractors involved in the Front Office function in the EPRM Regulations.

All staff and contractors with designated responsibility for Middle Office or Back Office functions are strictly prohibited from executing any wholesale transactions. The Middle Office shall be responsible for informing counterparties of such approved authorizations, including transacting authority and restrictions, along with product types and/or term and dollar limits.

Policy Compliance

Compliance Exceptions

Compliance exceptions are actions which violate the authority limits or directives set forth herein or in the EPRM Regulations as developed and adopted pursuant hereto by the RMC.

Reporting of Exceptions

Exceptions to mandated policies, procedures and regulations shall be reported to the RMC within two business days after they are identified, and the Front Office shall prepare a full report for review and discussion at the next RMC meeting.

Independent Performance Evaluations

Compliance with this EPRM Policy, and with the specific requirements of the EPRM Regulations instituted pursuant to this policy, shall be subject to examination by CPCNH's independent auditors or by such other reviewers that CPCNH may appoint to evaluate the effectiveness of mandated controls. Pursuant to CPCNH's Joint Powers Agreement:

1. The RMC shall commission an independent agent to conduct and deliver to the Board and to the Members at the Annual Meeting an evaluation of the operational performance of CPCNH relative to the Enterprise Risk Management Policy (including this EPRM Policy) and as otherwise requested by the Board.
2. CPCNH shall budget an amount necessary for the evaluation as determined by the RMC, which shall cause to be hired a firm or individual that has no other direct or indirect business relationship with CPCNH.
3. The evaluation shall be conducted at least once every two years, starting within three years of the initial provision of electricity supply to a Member CPA.
4. No individual or firm may be hired to conduct more than two consecutive evaluations.

Reserves

Reserve levels shall be reviewed monthly by the Finance Committee.



Internal Systems, Tools, and Staff Training

CPCNH employees who are authorized to perform energy risk management functions on behalf of CPCNH shall be provided with the necessary systems and tools to support all risk management processes.

Commensurate to the level of portfolio risk management functions performed by CPCNH staff:

- ⚡ Provision shall be made in the budget for the acquisition and maintenance of computer systems, software, communications equipment, data services and other analytical, measurement and reporting tools.
- ⚡ Provision shall also be made in the budget for managers and staff to attend seminars and courses in risk management on a regular basis.



RETAIL RATES POLICY

Purpose

This Retail Rates Policy outlines the requirements, objectives, rate setting authorities, rate setting processes, Member rate product and Discretionary Reserve adder election procedures, and different types of rate structures, products, and content of the Community Power Coalition of New Hampshire (CPCNH).

Requirements and Objectives

Member Electric Aggregation Plans typically require the CPA to offer default rates to one or more customer groups that are lower than or competitive with utility default rates at the time of launch. CPCNH shall only launch new Member CPAs subject to meeting any such requirements.

Thereafter, CPCNH will strive to maintain default service rates that are lower than or competitive with utility default service rates on average and over time — acknowledging that utility rates may dip below CPCNH rates on occasion, for short periods of time, due to market volatility and other factors.

Rates will be set at a level such that revenues from CPA customers are projected to meet or exceed CPCNH's ongoing operating and capital costs, inclusive of financial reserve targets, and other requirements set by the Board.

- ✦ Rate setting will be performed in concert with hedge decision making, as different rate structures may impact the appropriate hedging approach, in accordance with the procedures and methodologies summarized in the Energy Portfolio Risk Management Regulations (EPRM Regulations).
- ✦ CPCNH shall strive to provide innovative rate structures and offers that maximize choice and create value for CPA customers and for the Members, while aligning to the extent beneficial, allowable, and practical within and across CPA service territories.
- ✦ Changes to CPCNH default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.
- ✦ Pursuant to RSA 53-E, CPCNH rate setting shall ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories when setting default service rates.
- ✦ Pursuant to Puc 2204.05, CPCNH shall provide for the proper advance notice of rates to new customers, and update customer rate information whenever it changes, but no less frequently than once per month, on the New Hampshire Department of Energy's Shopping Comparison website.

CPCNH shall comply with all other applicable statutory and rule requirements.



Electric Assistance Program Discounts

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. CPCNH will support income eligible customers who enroll in the Electric Assistance Program to receive their discount. Discounts are funded by all ratepayers as part of the System Benefits Charge, which is charged to all customers and collected by the distribution utilities. At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility. CPCNH will therefore elect utility consolidated billing to bill all customer accounts known to be enrolled in the Electric Assistance Program.

Policy Amendments

The Board must approve amendments to this Policy. Advance written notice of Board meetings at which changes to this Policy are proposed shall be sent to the principal executive officers of each Member by the CEO. Subsequently, prompt written notice of the effective date of such amendment shall be sent to the principal executive officers of each Member by the CEO.

Default Rate Setting Process

The CEO, in consultation with the Risk Management Committee and the Finance Committee — or in the absence of the CEO, the Risk Management Committee, in consultation with the Finance Committee — shall recommend default rates to the Board for approval with sufficient notice to be implemented commensurate with regulated default utility rate changes, or otherwise as deemed necessary to support the requirements and objectives of this Policy.

The Risk Management Committee and Finance Committee shall each convene at least one public meeting to provide for deliberation and public input regarding changes to default rates.

Advance written notice of Board meetings at which changes to default rates are proposed shall be sent to the principal executive officers of each Member by the CEO. Subsequently, prompt written notice of approved default rate changes shall be sent to the principal executive officers of each Member by the CEO.

Member Elections of Rate Products and Discretionary Reserve Adders

Pursuant to this policy, individual Members will be provided the opportunity to elect to offer different rate products on a default and opt-in basis and to elect to adjust their CPA's default and opt-in rates to include an adder for the accrual and use of Discretionary Reserves, as provided for under the Financial Reserves Policy.

Any such elections of rate products and/or Discretionary Reserve adders must be approved by both the CEO and the Member's governing body, or the Member's Representative or other individual authorized pursuant to a delegation of such



authority by the Member's governing body or approved Electric Aggregation Plan, in advance of or during the meeting at which changes to default rates are approved by the Board.

Emergency Default Rate Adjustment Authority

This Policy acknowledges that, while rate structures or levels may be expected to persist for an expressed and/or intended period of time, unexpected events may warrant an immediate indefinite or temporary rate adjustment. Sound portfolio risk management will in most cases prevent the necessity of such action. However, risk factors such as market price risk may lead to a situation for such action to mitigate cash reserve constraints.

The Board must approve emergency rate adjustments as necessary to maintain the financial integrity of CPCNH. Prompt written notice of emergency rate adjustments shall be sent to the principal executive officers of each Member by the CEO.

Rate Structure Types

CPCNH may offer CPA customers the following rate structures:

Discount to Utility Tariff Rates

A rate structure that is discounted relative to utility rates ensures customer savings. This rate structure mitigates attrition risk. It will be based upon an expressed percentage discount to the rates offered by a customer's incumbent utility.

Fixed Price Cost of Service Based Rates

A rate structure that is based upon a budget build-up of cost of service, and/or another method whereby CPCNH offers a defined fixed price rate, is different than a discount to a utility rate. While it may be lower than a utility rate at inception and/or intent, a fixed rate could move above the utility rate due to wholesale market price movements, non-energy cost changes and/or regulatory changes impacting prices.

Time of Use (TOU) Rates

Time of use rates are rates that employ different pricing based on periods of time during a given day (e.g., daytime, nighttime) and/or weekday (e.g., weekday, weekend). Time of use rates incent customers to consume electricity at times that are lower cost and/or more environmentally friendly.

Net Metering Rates

Net metering rates allow a customer to benefit from behind-the-meter generation and possibly electricity storage capabilities through periodic meter reads where, at the end of the billing period the customer is charged for their net positive load (consumption) or if they have net exports to the grid at the end of the billing period they are either: 1) credited for those net exports to the grid on a kWh basis, such that they can carry forward a negative kWh balance to offset future consumption, or 2) get paid a rate for the surplus kWh exported to the grid and zero out their net kWh



usage. This rate construct is typically indifferent to the time of behind-the-meter generation, production, or customer consumption, but may be provided with TOU rates.

Generation in excess of a customer's usage each month is accounted for as a reduction to the CPA's wholesale load obligations by the utility, net of any applicable line loss adjustments, as approved by the Public Utilities Commission.

Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from their utility, as specified under the terms of their applicable net energy metering (NEM) tariff.

Index Plus Adder Rates (Pass-Through)

Index rates take hourly (or, as contemplative of technology that may allow, subhourly) consumption and multiply a loss adjustment factor and an ISO-NE New Hampshire Zone power price, plus a CPCNH administrative adder, to arrive at an effective monthly cost based predominantly on market-based prices. Index rates should typically not be hedged, and the customer should bear all price risk under such arrangement, provided, however, that a collar or sleeve product that sets an upper and lower limit to such index prices for some period of time may be available for a price that covers the cost and risk of such a hedge. Demand flexibility options may be priced and included in the product.

Fixed & Index Blend and/or Variable Term Rates

Likely of particular interest to non-residential customers, a Fixed & Index blended rate would be a combination of a fixed price rate as expressed above and an index rate as expressed above. The offering could be fixed to 50/50 or some other risk sharing split of the fixed and index portion. CPCNH should only hedge the fixed portion. Non-residential customers may also be interested in such rate for varying term lengths, such as for 12- or 24-month periods, which may be subject to meeting certain contractual, creditworthiness, and/or collateral posting requirements. Demand flexibility options may be priced and included in the product.

Other Rate Structures

This policy precludes CPCNH from offering rate structures not expressly authorized herein, such as tiered rate structures (progressive or regressive), total dollar "all-you-can-consume" fixed cost offers, and rate structures that utilize a demand charge. Board approval is required to authorize additional rate structures.

Rate Product Types and Approval Authorities

CPCNH is authorized to provide or offer CPA customers the following rate products:

Default Service

Default Service shall be the default rates selected to offer CPA customers in each utility territory, priced relative to the prevailing utility default rate, and, if practical,



based upon the same or a comparable structure as the prevailing utility rate structure, as approved by the Board.

Member Default Service Election

The Member Default Service Election is an exception to the Default Service Offer that would extend a default rate to the residents and/or businesses of a Member CPA different than other communities or CPCNH customers at large. Community offers may be rates that are higher or lower than the Default Service Offer, to reflect a different product content (e.g., higher or lower renewable and/or carbon-free content).

CPCNH shall provide Members with a schedule by which to request Community Default Service Offer Elections, which are subject to Board approval in consultation with the Risk Management Committee.

Local Power Offer

The Local Power Offer acknowledges and integrates the rate impact of local generation projects (e.g., a local community solar project), community investment programs (e.g., investment in EV charging stations), or other programs or projects benefiting a targeted community.

Subject to the terms of a Project Contract, or Board approval in the absence of governing terms in a Project Contract, the Local Power offer may extend a default or custom rate to the residents and/or businesses of a Member CPA different than other communities and customers.

Alternate Customer Rate Options (Opt-Up or Opt-Down)

Customers may select an optional rate extended by CPCNH through expressed choice of an alternative rate offer instead of Default Service. The option is held by the customer and CPCNH shall not move customers to an alternative rate without customer consent.

Alternative Customer Rate Options will be subject to Board approval at the same time as Default Service rates. Alternative Customer Rate Options shall be offered under the same rate structure as Default Service and may additionally be offered as a time-of-use rate.

Net Energy Metering Offer

CPCNH will provide new rates and terms that compensate or credit participating customer-generators for the electricity supply component of their net metered surplus generation.

For group net metering, to the extent CPA default rates are lower than utility default rates, it may be most advantageous for the host customer-generator to remain a utility default service customer, while the other group members may enroll in CPA supply and continue to receive on-bill credits for their participation in the group.



Additionally, CPCNH will pursue additional development of NEM rates and programmatic enhancements that benefit and encourage customers to adopt distributed generation.

Net Metering terms, conditions, and rates for compensating and crediting different types of NEM customer generators will be set by the Board and fully disclosed to all prospective NEM customers through the program’s enrollment notification process and thereafter.

Non-Residential Additional and Custom Offers (Opt-In)

CPCNH may offer non-residential customers Index Plus Adder (Pass-Through) Rates, Fixed & Index Blend Rates, and/or Variable Term Rates thereof. Demand flexibility options may be priced and included in the product, to encourage and incentivize customers to shape their electricity usage patterns, including for the objective of lowering peak charges.

Rate Product Content and Member Elections

CPCNH shall offer the following rate products and contents:

PRODUCT	CONTENT *	MEMBER ELECTIONS
Granite Basic	Minimum RPS Content (23.4%)	Default, opt-down/in, or N/A**
Granite Plus	33% Renewable or Carbon Free	Default, opt-up/in, or N/A**
Clean 50	50% Renewable or Carbon Free	Opt-up/in or N/A
Clean 100	100% Renewable or Carbon Free	Opt-up/in or N/A

* Specified percentages are minimums (floors).

** One of these two products must be offered as Default Service

Member Elections

Each Member shall be provided the opportunity to elect whether to offer “Granite Basic” or “Granite Plus” as a default product, by customer class or as otherwise determined by the Board and will be advised on the cost implications of such elections by the CEO. Absent any election, “Granite Basic” shall be the default product.

Each Member that elects “Granite Plus” as their default product may also elect to offer “Granite Basic” as an opt-down choice for customers seeking the most affordable rate product. Absent any election, “Granite Basic” shall be offered as an opt-down/in product.

Each Member shall be provided the opportunity to elect whether to offer “Clean 50” and/or “Clean 100” as opt-up/in products. Absent any election, “Clean 50” and “Clean 100” shall be offered as opt-up/in products.



Product Content

Carbon-free content is power that is reported as carbon-free on an Environmental Disclosure label pursuant to Puc rule 2205.11.

Renewable content that is in addition to the minimum requirements of the New Hampshire Renewable Portfolio Standard shall be provided by Renewable Energy Credits pursuant to RSA 362-F, with a preference for sourcing Renewable Energy Credits from in-state generation.



FINANCIAL RESERVES POLICY²

Purpose

This Financial Reserves Policy establishes minimum, target, and maximum levels of cash reserves that will be jointly accrued, used, maintained, and monitored by CPCNH, on behalf of all Members (“Joint Reserves”), and provides for the collection of Joint Reserves in excess of the maximum target joint reserve level to be applied at the discretion of individual Members (“Excess Reserves”). Separately, the policy allows for the collection and use of additional reserves at the sole discretion of each individual Member (“Discretionary Reserves”).

Joint Reserves, Excess Reserves, and Discretionary Reserves are collectively referred to herein as “reserves”.

Objectives

Reserves are accrued and maintained by CPCNH on behalf of and for the benefit of Member CPAs. The establishment of Joint Reserves, pursuant to this policy, is intended to secure the following objectives:

- 1. Protect against emergency default rate adjustments.** Reserves can help minimize the risk that rates, after being set for a given period, would need to be quickly adjusted upwards due to market volatility (power supply shocks), weather impacts on demands, economic downturns, emergencies (such as natural disasters), and regulatory changes.
- 2. Strive to adjust rates gradually over time.** In a rising price environment, reserves may be used to spread out the impact of price increases on customers over multiple rate setting periods. For example, if market prices are expected to increase over the medium-term, deciding to collect additional reserves over the near-term (when prices are lower) would later allow more funds to be used to offset rate increases in later periods, thereby adjusting rates more gradually and predictably for customers over time.
- 3. Ensure cash availability when net revenues are unavailable.** To bridge seasonal times of the year that normally see temporary low or negative net revenues, which would otherwise require CPCNH to have sufficient credit to maintain liquidity.
- 4. Lower and avoid interest expenses.** To avoid interest expense to cover short-term cash shortfalls, first by accruing reserves sufficient to execute a credit facility for CPCNH, and subsequently by having sufficient reserves to use in place of credit or debt instruments. CPCNH intends to negotiate and directly execute a credit facility on behalf of Member CPAs within the first year of operations.

² Amended at 5/25/23 Special Membership Meeting to add section entitled “Provision of Fractional Reserve Settlements for Member Departing Load” on page 27.



- 5. Enable the development of local energy projects.** Project developers typically seek to contract with entities that are willing and able to commit to paying for electricity over a 10 year or longer period. The accrual of financial reserves hereunder is intended to provide CPCNH with the financial stability required to be a creditworthy counterparty for the purposes of soliciting and entering into long-term contracts to develop local energy projects on behalf of participating Members.
- 6. Achieve a credit rating and maintain good standing with rating agencies.** After accruing sufficient reserves, CPCNH can apply for a credit rating, which would allow power to be secured at lower costs, that is, without posting credit enhancements, for the benefit of all Member CPAs. CPCNH intends to achieve and maintain strong financial performance metrics sufficient to receive an investment-grade credit rating within three-to-five years after launch.
- 7. Manage risks identified in the Energy Portfolio Risk Management Policy,** such as those associated with market prices, counterparty credit and performance, load volumes and net revenues, gross margin levels, liquidity and collateral requirements, regulatory and legislative policy changes, and gross margin levels.
- 8. Establish clear expectations between the Board of Directors, staff, contractors, and suppliers of electricity to CPCNH.** A formal reserve policy creates a shared understanding of the proper level and use of reserves.

Rights of Members to Reserve Contributions

Member Reserve & Cost Allocation Accounting

Reserve contributions shall be tracked and accounted for on behalf of each Member CPA. For each Member, reserves accrued shall be adjusted to reflect the equitable allocation of costs between Members pursuant to Cost Sharing Agreements.

To the extent that provisions in this policy are inconsistent with the Cost Sharing Agreements entered into by Members, the Cost Sharing Agreements shall control.

Member Accrual and Usage of Discretionary & Excess Reserves

Individual Members that request to adjust their CPA's default and opt-in rates to include an adder for the accrual of Discretionary Reserves, pursuant to the Rates Policy, will accrue reserves that are separate from Joint Reserves. Such reserves shall be tracked, accounted for, and transferred to the individual Member or otherwise applied or held by CPCNH as directed by the individual Member's governing body.

Joint Reserves that accrue in excess of the Maximum Operating Reserve Level hereunder are Excess Reserves, which shall be allocated back to Members for use as Discretionary Reserves.

Members may use such Excess and Discretionary Reserves to invest in developing new local energy projects, or to fund programs benefiting their customers specifically, or for other uses as determined solely by each individual Member.



Member Reserve Settlements Upon Withdrawal or Termination

If a Member withdraws from CPCNH or is involuntarily terminated, the balance of any reserves accrued by the Member will be distributed or applied as directed by the Member's governing body, after satisfaction of the Member's contractual obligations with CPCNH and in accordance with any applicable law and regulation.

Provision of Fractional Reserve Settlements for Member Departing Load

If a) a municipality participating in a county plan withdraws or otherwise departs from a Member CPA, or b) a municipality and/or county withdraws or otherwise departs from a Member CPA comprised of a group of such entities operating jointly pursuant to RSA 53-A, then an equitable portion of the reserves accrued by the Member CPA will be distributed or applied for the benefit of the withdrawing or departing entity in accordance with the Member CPA's contractual obligations with CPCNH and any applicable law and regulation.

Joint Reserve Target Levels Established

Joint reserves will be used to honor financial commitments and will be used to cover the operations of CPCNH over a number of days in the event of emergencies or other significant unforeseen events, amongst other goals outlined in this policy.

For purposes of this policy, Joint Reserve levels are defined as a projected or estimated amount accrued at the conclusion of a forecasted period.

Three target levels of Joint Reserves are defined below, which shall be in addition to any financial covenants entered into by CPCNH, relative to the forecasted expense of operations as reflected in CPCNH's budget:

1. Minimum Operating Reserve: reserves sufficient to cover 60 days of operations.
2. Target Operating Reserve: reserves sufficient to cover 120 days of operations.
3. Maximum Operating Reserve: reserves sufficient to cover 180 days of operations.

Rates shall be set to accrue Joint Reserves sufficient to meet the target levels on a forecasted basis, as follows:

1. To reach the Minimum Operating Reserve level within 3 years.
2. To reach the Target Operating Reserve within 5 years.
3. The Maximum Reserve level would provide strong protections against any significant adverse events and represents a longer-term goal.

Joint Reserve Target Levels Maintained

Replenishment of Minimum Reserves

Once Minimum Reserves levels are initially achieved, should CPCNH drawdown reserves below the Minimum Operating Reserve level, CPCNH will implement plans



to return reserves to their minimum targets within two (2) years on a rolling forecast basis. The CEO shall oversee the preparation and submittal of such plans in subsequent budget and rate discussions with the Board.

Reserves between Minimum and Maximum

To the extent that reserves are above the Minimum and below the Target Operating Reserve level, continued consideration should be given to the rate that reserves are accumulating toward the Target Operating Reserve.

To the extent that reserves are above the Target Operating Reserve and below the Maximum Operating Reserve level, no action by CPCNH would be required.

Joint Reserve Forecasting, Reporting, and Evaluation

Regular Forecasting of Reserve Levels

The conditions for use of reserves, being expressed as a percentage of the reserve level at the conclusion of a rolling 12-month forecast basis, require the reserve level to be regularly updated on a projected basis.

The reserve level forecast methodology shall be approved by Risk Management Committee, reviewed by the Finance Committee, and periodically assessed and updated as required to ensure appropriate reserve levels are maintained and funded.

The Risk Management Committee, supported by staff and contractors, shall ensure that the reserve level forecast is updated and reported to the Finance Committee and Board of Directors at each regular meeting.

The Treasurer shall report the reserve level in quarterly and annual financial reports.

Periodic Review of Reserve Target Levels

Reserve target levels shall be periodically reviewed for consistency with industry standards by the Risk Management Committee. If significant risk factors are eliminated or significant new risks emerge as a result of changes in the industry, legislation, or economic conditions, the basis of the reserve policy shall be reviewed, and the funding level shall be adjusted accordingly. Unless the Reserves are lower than 120% of the minimum levels, formal Reserve funding discussions with the Board may be deferred until the next budget process.

Annual Consideration of Forecasted Reserve Levels and Targets

An analysis of over or under forecasting of reserve levels during the fiscal year shall be made in conjunction with year-end financial results. These results will be reported to the Board of Directors as part of the year-end financial report presentation.

The Board shall review and consider the target reserve levels defined in this Policy, in the context of CPCNH's overall financial condition and taking under consideration changes to the industry and/or CPCNH's exposure to the risk factors defined in the Enterprise Risk Management Policy.



Conditions for Use of Joint Reserves

A temporary reduction in cash consistent with the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected over the course of any 12-month period, and do not constitute an expenditure of Joint Reserves.

The use of Joint Reserves is defined as an expenditure that is forecasted to result in a more than 10% reduction of the reserve level, relative to its then-prior forecasted level at the conclusion of the fiscal year, or \$10 million, whichever is greater.

The use of Joint Reserves is subject to approval by the Board. However, the CEO has the authority to use reserves for operating liquidity in emergency situations in consultation with the Board Chair and either the Vice Chair or Treasurer, and such actions must be noticed to the Board in the next meeting.

Board and Membership Authority to Amend

The Board may, by resolution, modify or suspend any provision of this Policy for any duration at any time, except that the provisions under this section, “Board and Membership Authority to Amend,” and under “Rights of Members to Reserve Contributions” may only be modified or suspended by a written amendment unanimously approved by the votes cast at a meeting of the Membership at which a quorum is present.

The CEO or Board Chair shall send written notice of any proposed amendments to or suspension of the provisions under this section and under Rights of Members to Reserve Contributions to the Member Representatives and principal executive officers of each Member at least fourteen (14) days prior to such meeting at which it is to be acted upon. Subsequently, prompt written notice of the effective date of such amendment or suspension shall be sent to the Member Representatives and principal executive officers of each Member by the CEO or Board Chair.



Definitions

- ⚡ “Board” means the Board of Directors of CPCNH.
- ⚡ “CEO” means the Chief Executive Officer of CPCNH, or, in the absence of a CEO, the Board Chair (unless where otherwise provided for in the policies).
- ⚡ “Cost Sharing Agreements” means the agreements entered into by CPCNH and individual Members pursuant to Article V, Section 3 of the CPCNH Joint Powers Agreement.
- ⚡ “CPA” means Community Power Aggregation.
- ⚡ “CPCNH” means the Community Power Coalition of New Hampshire.
- ⚡ “EPRM Policy” means the Energy Portfolio Risk Management Policy.
- ⚡ “EPRM Regulations” means the Energy Portfolio Risk Management Regulations.
- ⚡ “ERM Policy” means the Enterprise Risk Management Policy.
- ⚡ “GAAS” means generally accepted auditing standards.
- ⚡ “ISO-NE” means ISO New England, Inc., the entity serving as the regional transmission operator and which oversees the operation of New England's bulk electric power generation and transmission system and administers the regional wholesale markets for electric energy and other electricity products, or its successors.
- ⚡ Financial power or gas swap or futures. Includes fixed-for-floating swaps, basis swaps, exchange-traded futures contracts. Swaps and futures are financial settled instruments based on the difference between a fixed and floating reference price times a contracted volume. CPCNH could be the fixed side or float side of the settlement depending upon whether is buying or selling financial power.
- ⚡ Financial power or gas option. The buyer of an option pays a premium to have the right, but not obligation, to exercise the option prior to expiry and receive a financial settlement.
- ⚡ “Financial Transmission Rights (FTRs) obligations”: An FTR provides the FTR holder a revenue stream that equals the quantity of the FTR multiplied by the hourly price difference (day-ahead) between the source and sink locations specified in the FTR. An FTR can be used by CPCNH as a Load Serving entity to hedge congestion risk between a load zone and a supply location such as a generator or hub. The payoff of a FTR can be positive or negative,
- ⚡ “Financial Transmission Rights (FTRs) options”: FTR option buyers pay a premium to have the right, but not the obligation to exercise the payoff of an FTR settlement.



- ⚡ “Gross Margin at Risk” is a measure of the potential adverse changes in net revenues for a given time period and confidence level.
- ⚡ “IBT” or “Internal Bilateral Transaction” is a contract tool that transfers the ISO load obligation between the buyer and the seller. Participants with load or generators often sign bilateral contracts with each other to obtain price certainty rather than risking the uncertain energy market price. A Buyer’s load obligation decreases and therefore pay less to the ISO while a Seller’s load obligation increase and pay more to the ISO.
- ⚡ “Load Serving Entity (LSE)” means an entity that is registered with ISO-NE as a market participant and secures and sells electric energy and related services, which may include transmission service if not provided by the distribution utility, to serve the demand of end-use customers at the distribution level.
- ⚡ “MTM” or Mark-to-Market is a measure of the current replacement value of physical or financial contracts based on prevailing market forward curves, rather than the book value.
- ⚡ “NRSRO” means nationally recognized statistical rating organization.
- ⚡ “Physical Power Purchases and Sales”: see IBT.
- ⚡ “Potential Future Exposure for counterparty credit risk” means the maximum MTM counterparty exposures for a given time period and confidence level.
- ⚡ “Potential Collateral Exposure” means the maximum of collateral that CPCNH may have to post for a given period and time horizon with a given counterparty.
- ⚡ “Rates at Risk” is a measure of the potential adverse changes to CPCNH’s rate competitiveness, relative to the four default utility supply rates, for a given time period and confidence level.
- ⚡ “RMC” means the CPCNH Risk Management Committee.
- ⚡ “Financial Reserve Uncertainty” is a measure of the potential adverse change in reserves for a given time period and confidence level.
- ⚡ “Stress tests” refer to analysis of portfolio performance under stress scenarios of material risk drivers. Used to understand the potential variability in CPCNH’s projected procurement costs and resulting retail rate impacts and competitive positioning.



Policy Title	Data Security and Privacy
Policy Number	CPCNH-2022-04
Effective Date	Original: December 15, 2022

PURPOSE

To define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of confidential individual customer information.

POLICY

WHEREAS, the General Court adopted RSA 359-C (*the New Hampshire Right to Privacy Act*), RSA 91-A (*Access to Governmental Records and Meetings*), RSA 363:37-38 (*Privacy Policies for Individual Customer Data*), RSA 53-A:3 (*Agreements Between Government Units*), and RSA 53-E (*Aggregation of Electric Customers by Municipalities and Counties*), as amended from time to time;

WHEREAS, RSA 53-E:4 (*Regulation*) provides that Community Power Aggregators (“CPAs”) may use Individual Customer Data (“ICD”) for specific purposes, exempts ICD from public disclosure under RSA 91-A, requires CPAs to maintain the confidentiality of ICD in compliance with their obligations as service providers under RSA 363:37 (*Definitions*) and RSA 363:38 (*Duties and Responsibilities of Service Providers*), and provides CPAs with access to Electric Distribution Utility (“EDU”) Electronic Data Interchange (“EDI”) system;

WHEREAS, RSA 359-C:19, V (*Notice of Security Breach*) requires reporting of data security breaches, as defined in RSA 359-C:20 (*Definitions*);

WHEREAS, RSA 53-E:7 (*Aggregation Program*) required the Public Utilities Commission (“PUC”) to adopt Administrative Rules governing “*access to customer data for planning and operation of aggregations*” and other matters;

WHEREAS, the PUC has recently adopted Administrative Rules for CPAs, including Puc 2204.03 (*Request for Names, Addresses, and Account Numbers of Customers*), Puc 2204.04 (*Notification of CPA Commencement of Service*), Puc 2204.05 (*Notification of CPA Service Rates and Customer Enrollment*), Puc 2204.06 (*Use of Electronic Data Interchange*), Puc 2205.13 (*Individual Customer Billing Information*), Puc 2205.05 (*New Utility Service Customers*) and Puc 2205.14 (*Enabling Meter Reading Authority and Access to Interval Meter Data*), and had previously adopted Administrative Rules for Competitive Electric Power Suppliers (“CEPS”) and brokers, including Puc 2004.19 (*Protection of Confidential Customer Information*), and



WHEREAS, CPCNH is a Joint Powers Agency and governmental instrumentality authorized under RSA 53-A:3 (*Joint Exercise of Powers*) and RSA 53-E:3 (*Municipal and County Authorities*), pursuant to Article III of the Joint Powers Agreement of Community Power Coalition of New Hampshire, effective as of October 1, 2021, that expressly authorizes CPCNH through its CEO and Board to:

1. *"Comply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs"* (Section 2.3.11 of the CPCNH By-Laws);
2. *"Make and enter into contracts"* (Section 2.3.6 of the CPCNH By-Laws);
3. *"Make and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH's affairs"* (Section 2.3.9 of the CPCNH By-Laws); and
4. *"Do all acts permitted... as well as any act necessary, consistent with New Hampshire law to fulfill the purposes"* (Section 2.3 of the CPCNH By-Laws) set forth under the Joint Powers Agreement, which include assisting *"member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing ... Community Power Aggregations"* (Section 2.1 of the CPCNH By-Laws);

WHEREAS, CPCNH and third parties under contract with CPCNH, acting on behalf of CPAs in the capacity as a service provider to CPAs, will need to access and use ICD for operational needs including for the research, development, and implementation of CPAs, new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs;

WHEREAS, third parties under contract to CPCNH that may require access to ICD on behalf of CPAs may include CEPS functioning as Load Serving Entities ("LSEs") for the supply of all requirements energy, or other third-parties under contract with CPCNH to provide LSE services, as well as portfolio management, Electronic Data Interchange (EDI), Customer Information System (CIS), billing, accounting, and related services, and other contractors and academic institutions under contract with CPCNH to support the research and development of potential new energy services to offer to CPA customers;

WHEREAS, specific types of ICD that CPCNH and third parties contracted through CPCNH are expected to receive and possess on behalf of CPAs include:

1. Name, address, account number, and other information about electric customers for purposes of sending required notification of CPA Commencement of Service and performing other tasks required prior to or shortly after the enrollment of customers in CPA service, consistent with Puc 2204.03, Puc 2204.04, and Puc 2204.05, or equivalent rule provisions as may be adopted by the PUC from time to time, and the requirements of RSA 53-E, as may be amended by the General Court from time to time;



2. Individual customer information used for operation of CPAs received after the enrollment of customers in CPA service, such as that in Puc 2205.13, most of which may be accessed through the Electric Distribution Utility (EDU) Electronic Data Interchange (EDI) system pursuant to Puc 2204.06, and received from EDUs to enable new customer notifications thereafter, pursuant to Puc 2205.05, and for directly reading certain customer meters or otherwise accessing customer meter data held by the EDU more directly, pursuant to Puc 2205.14 and subject to the PUC's approval in future; and
3. Other confidential customer information that may be received or collected directly by CPAs, CPCNH and/or third parties under contract with CPCNH, from sources other than the EDU due to customer participation in particular related programs or services, billing operations, other customer services, or that may be volunteered by customers and/or Members, which shall likewise only be used for statutorily authorized purposes as ICD or pursuant to the express consent of the customer and are also referred to as ICD herein.

WHEREAS, ongoing collection and use of ICD will be used for both:

1. General planning and operational needs for CPA retail power supply and related energy services requirements, such as load and supply forecasting, portfolio management, billing, revenue collection, and audit processes, and for research and development of potential new energy services to offer to customer participants; and
2. Programmatic and customer-specific services and offerings, such as responding to customer account queries, opt-in rates or demand side management for customers with flexible demand, distributed generation or storage, and interval meters; and other energy services that may be offered including programs for Low to Moderate Income (LMI) participants that are qualified in the Electric Assistance Program (EAP).

NOW THEREFORE, in consideration of the above, it is CPCNH's policy to define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of Individual Customer Data, as follows:

1. In compliance with RSA 53-E:4 (*Regulation*) and RSA 53-E:7 (*Aggregation Program*); RSA 363:38 (*Duties and Responsibilities of Service Providers*) and RSA 363.37 (*Definitions*); and RSA 359-C:20 (*Privacy Policies for Individual Customer Data*) and RSA 359-C:19 (*Definitions*), as amended by the General Court from time to time:
 - a. CPCNH and third parties contracted through CPCNH that will receive or access ICD on behalf of CPAs are required to:
 - i. Comply with all Administrative Rules related to the access and use of ICD under Puc 2200 (*Municipal and County Aggregation Rules*),



as may be amended from time to time, and any other applicable PUC rules or orders;

- b.** Use ICD solely as authorized with the express consent of the customer or for legitimate primary purposes, specifically to comply with the provisions of RSA 53-E and RSA 368:38, such as for: providing or billing for electrical service; meeting system, grid, or operational needs; researching, developing, and implementing new CPA programs, rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs; and for research and development of potential new energy services to offer to customer participants (Primary Purposes);

 - i. Implement and maintain reasonable security procedures and practices appropriate to the nature of the ICD to ensure that only authorized individuals have access to ICD for Primary Purposes or as provided by the express consent of the customer;
 - ii. Protect ICD from unauthorized access, use, destruction, modification, or disclosure, and report any data security breach as required by RSA 359-C:20 and any other applicable laws, rules, regulations, or utility tariffs;
 - iii. Collect, store, use, and disclose only as much ICD as is necessary to accomplish the Primary Purposes or as provided by the express consent of the customer;
 - iv. Not use ICD for a secondary commercial purpose unrelated to the Primary Purposes without the express consent of the customer; and
 - v. Return or permanently delete all ICD after contract termination and deliver a certificate, signed by an authorized representative, stating that all ICD has been returned or permanently deleted and that all materials based on ICD has been destroyed, as appropriate, i.e., except for copies necessary for tax, billing, other required legal compliance or financial purposes, or as may be created residually due to system backups, provided that the confidentiality of data is maintained in accordance with applicable laws.
- c.** Further, if CPCNH contracts with one or more CEPS to provide LSE services to participating customers, or brokers to support operations in a capacity that would require access to ICD, then the CEPS and/or brokers shall additionally be required to comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information*), pursuant to Puc 2205.02 (*Application of Puc 2000 to CEPS When Providing Electricity Supply to CPA Customers*), as may be amended by the PUC from time to time.



2. The Chief Executive Officer (CEO) as provided under Article VIII of the CPCNH By-Laws, or in the absence of the CEO, the Chair of the Board of Directors, as provided under Section 5.1 of the CPCNH By-Laws, shall (i) ensure that contracts CPCNH enters into with third parties that will receive or access ICD on behalf of CPAs have (a) incorporated the above requirements, as appropriate, and as amended, and (b), additionally provide for independent security assessments, documentation, and reporting to safeguard these requirements, as deemed necessary or prudent, and (ii) will deliver a signed attestation, upon request, to this effect to the General Counsel and Secretary to be maintained with the records of the Corporation.
3. The Regulatory and Legislative Affairs Committee shall advise on and recommend changes to this policy to the Board of Directors as necessary to maintain compliance with applicable laws, rules, and regulations that supersede the considerations and requirements established herein.
4. Use of Legal Counsel. CPCNH's CEO or Board will seek the advice of legal counsel in matters relating to data security and privacy, including but not limited to the policies adopted hereunder, when appropriate, and specifically, counsel will be employed to review:
 - a. Enacted Changes to RSA 359-C (*the New Hampshire Right to Privacy Act*), RSA 91-A (*Access to Governmental Records and Meetings*), RSA 363:37-38 (*Privacy Policies for Individual Customer Data*), RSA 53-A:3 (*Agreements Between Government Units*), and RSA 53-E (*Aggregation of Electric Customers by Municipalities and Counties*) or other related statutes that modify, alter, or negate the stated policies herein; and
 - b. Amendments to contracts with any third parties that contract with CPCNH that may require access to ICD on behalf of CPCNH that modify, alter, or negate terms and conditions of said contracts related to data security and privacy.

Coalition Policies

Energy Portfolio Risk Management

Retail Rates

Financial Reserves

Data Security & Privacy



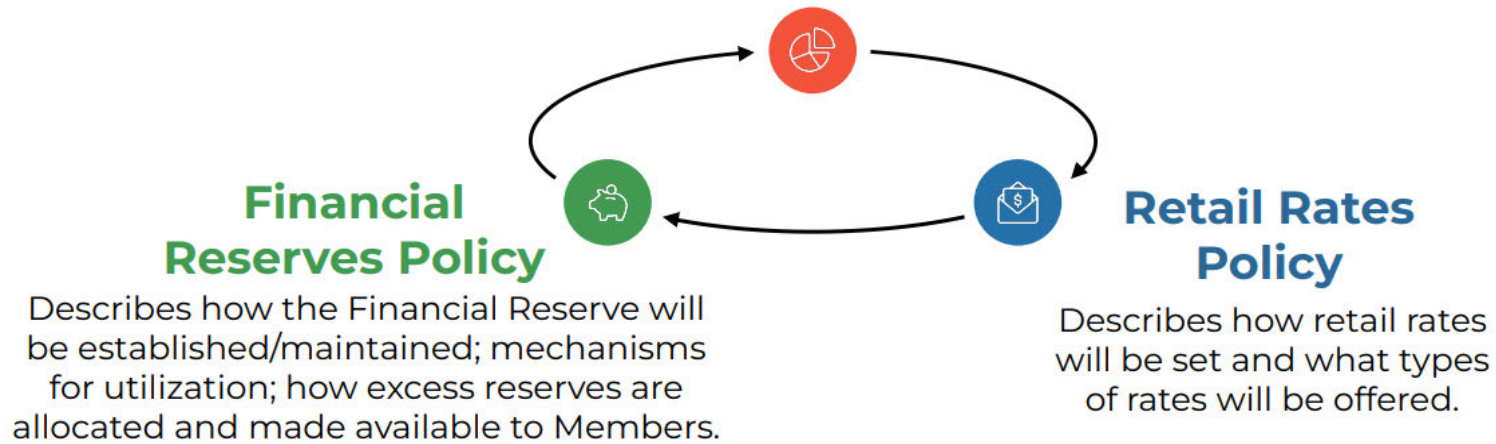
**COMMUNITY
POWER COALITION
OF NEW HAMPSHIRE**
For communities, by communities.



Coalition Policies

Energy Portfolio Risk Management Policy

Outlines the mechanisms, financial safeguards, and reporting/transparency to procure electricity for members.



Data Security and Privacy Policy

to protect Individual Customer Data

Objectives:

- (a)** meet customer electricity requirements; **(b)** obtain best available rates; **(c)** maintain rate stability;
- (d)** develop and maintain financial reserves to ensure long-term customer benefits

Energy Portfolio Risk Management

Philosophy, Objectives, Scope: CPCNH purpose is to procure electricity supply for participating Members (CPA's); EPRM identifies risks & management strategies; objectives are low rates, stability, reserves

Risk Exposures: Market, Volumetric, Attrition, Counterparty Credit, Liquidity & Collateral, Regulatory & Legislative, Operational, Reputational

Risk Strategy & Parameters: Outlines Portfolio & Diversification strategies, Rate Benchmarking, Risk Metrics & Reporting. Position Limits require CPCNH to hedge positions in advance of power delivery to minimize exposure to market volatility

Risk Control Principles: Follow industry Best Practices; audit protocols; segregation of duties, avoiding conflicts of interest

Roles, Responsibilities & Organization: Board, Committee, Staff & Service Providers

Policy Compliance: How exceptions will be reported; independent auditing every 2 years; Finance Committee review of reserve levels

Retail Rates Policy - 1

Purpose: Outline requirements, objectives, authorities, processes for rate setting

Requirements & Objectives: Only launch if rates beat utility default; strive to maintain lower rates; offer optional rates. Public noticing 30 days in advance and on NHDOE website

Amendments: CPCNH Board approves amendments. Requires Members receive advanced written notice of meeting and prompt notification of effective date

Default Rate Setting Process: CEO, in consultation with Finance and Risk Management Committees, recommends rates for Board approval; Members can elect Discretionary Reserve Adders; Emergency Default Rate Adjustment Authority (with Board approval and Member noticing)

Rate Structure Types: Describes rate structures that CPCNH may offer members

Retail Rates Policy - 2

Rate Product Types & Approval Authorities: Default Service Election (Granite Basic or Granite Plus) or Local Power Offer

Rate Product Content & Member Elections: Member selects default product. Additional renewable content provided by Renewable Energy Credits (RECs), preferably sourced from in-state generation

PRODUCT	CONTENT	MEMBER ELECTION
Granite Basic	Minimum RPS Content (25.2%)	Default, Opt-Down, or N/A
Granite Plus	~33% Renewable or Carbon Free	Default, Opt-Up, or N/A
Clean 50%	~50% Renewable or Carbon Free	Opt-up or N/A
Clean 100%	100% Renewable or Carbon Free	Opt-up or N/A

Financial Reserves Policy

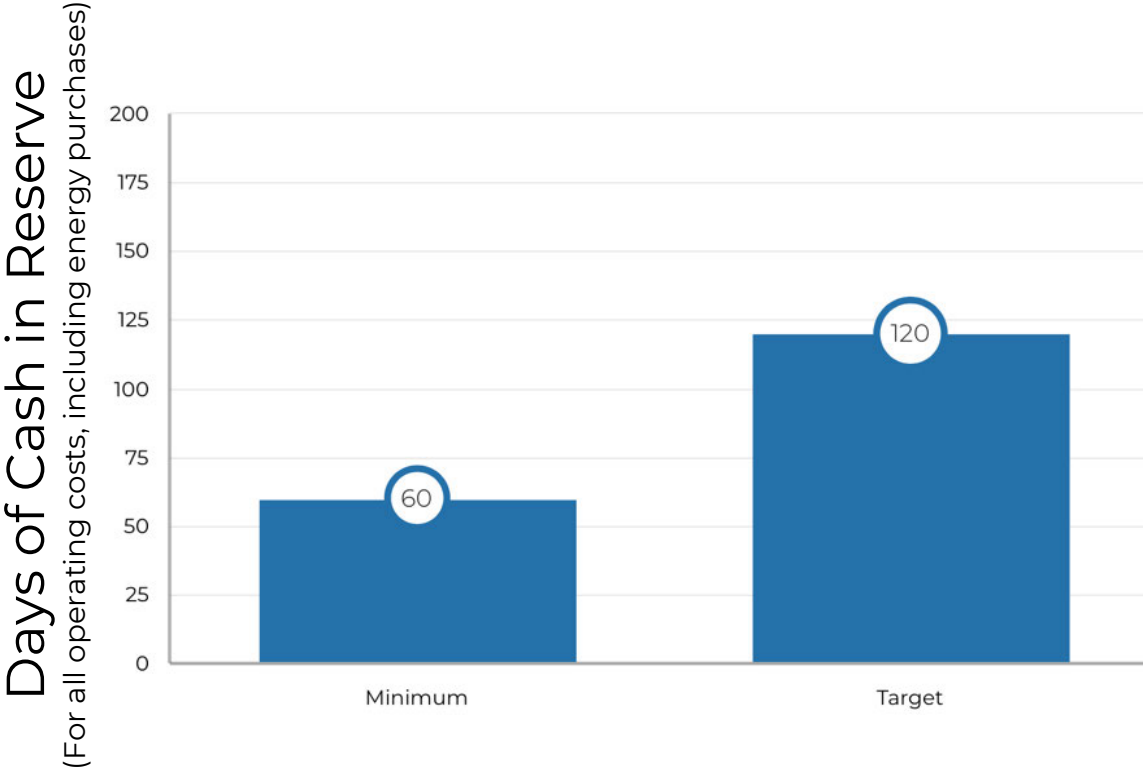
Purpose: Establish minimum, target, and maximum level of Joint Reserves; provides for use of Discretionary Reserves

Objectives: Make CPCNH financially stable; ensure cash availability; lower financing costs; achieve credit rating; manage risks of EPRM; enable development of local energy projects

Rights of Members to Reserve

Contributions: Reserves tracked by individual Member; if Member departs, balance of reserves will be returned to Member

Joint Reserve Target Levels



Data Privacy & Security Policy

Purpose: Defines goals and controls to safeguard confidentiality, integrity, and availability of confidential individual customer information

Legal Compliance: Ensures CPCNH complies with all laws and regulations pertaining to individual customer data



Coalition Agreements

Cost Sharing Agreement

Member Services Contract



**COMMUNITY
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For communities, by communities.



Cost Sharing Agreement

- ⚡ Ensures costs recovered fairly & proportionally from Members
- ⚡ Establishes “Menu of Services”
- ⚡ Mandates regular cost reporting
- ⚡ Provides operational clarity to all parties
- ⚡ Enacts JPA Classification of Costs by:

(1) **General & Administrative** - shared proportionally across Members (pro-rata share of annual electricity sales).

(2) **Direct Project** - (only accrue to participating Members);

(3) **Member Services** (\$/MWh & actual)

Includes Member Services Contract for the **Complete Service Bundle “CSB”**

Classification	Cost Factor	Allocation Method
General & Administrative	All Costs	\$/MWh forecasts and annual true-up to pro rata share of actual “Annual Retail Electricity Load” (JPA defined term)
Direct Project	Costs identified in Project Contracts	As specified in Project Contracts
	Unanticipated Costs	As directed by Project Committee vote; alternatively, Member Project Contract participation share %
CPA Member Services <i>Power Supply</i>	All Requirements Electricity	Member CPA actual cost
	Net Hedging	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Optional / Opt-Up Products	Member CPA actual cost
CPA Member Services <i>Operations</i>	Allocated Staff, Overhead & Misc. Svc	\$/MWh
	Member CPA Compliance Costs	Member CPA actual cost
	General Compliance Costs	\$/MWh
	Financing and Credit Support	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
	Portfolio & Risk Management Services	\$/MWh
	ISO-NE Load Serving Entity (LSE) Services	\$/MWh
	Marketing & Community Services	\$/MWh
	Customer Notifications	\$/Notice
	Data Management & Billing Services	\$/Meter
	Call Center & Customer Services	\$/Meter
	Local Program Design, Admin & Finance	\$/MWh (across all CPAs) <u>or</u> actual cost (for each CPA)
CPA Member Services <i>Elective Services</i>	Additional services as authorized by the Board	

Cost Sharing Agreement — Articles

- I. **Recitals, Legislative Context, Purpose** (reference to RSA 53-E, public interest, etc.)
- II. **Amendments:** Uniform for all Members; unanimous vote of Members to Amend
- III. **Membership List**
- IV. **Election of CPA Member Services & Project Contracts:** “Complete Service Bundle” includes all services required to launch & operate program; additional services may be added over time
- V. **Cost Recovery & Liability Limitation:** No taxpayer funds, costs recovered through rates, grants, 3rd party sources; debts, liabilities & obligations of CPCNH shall not be of the Members unless otherwise agreed to under service contract
- VI. **Cost Reporting & Records:** Mandates transparency and monthly reporting for cost tracking & allocation; *“Books and records of [CPCNH] shall be open to inspection at all reasonable times to each Member and its representatives”*
- VII. **Implementation Costs:** All Members participating during years 1 - 5 allocated the same \$/MWh implementation/start-up costs

Cost Sharing Agreement — Articles (cont.)

- VIII. & IX. Cost Classification & Allocation:** Defines (a) CPA Member Services Costs; (b) General & Admin Costs; (c) Direct Project Costs
- X. General Terms & Conditions:** Liability protections, indemnification, dispute resolution, commitment to honor contracts
- XI. Term:** Terminates with: (1) CPCNH dissolution; (2) Member withdrawal subject to continuing obligations (Member Service Contract for Complete Service Bundle)

Exhibit A — Cost Sharing Principles

Incorporating sections 3-7 of Joint Powers Agreement - Article V

Exhibit B — Cost Allocation Reference Table

Exhibit C — Member Service Contract : Complete Service Bundle

Recitals: Member desires to implement Community Power for public good, has adopted Electric Aggregation Plan, endorses CPCNH policies, and desires for CPCNH to provide service

- I. **Purpose:** CPCNH will provide comprehensive services for power supply procurement, data and billing, customer service, etc. CPCNH enables public oversight, transparency, unbiased expertise, admin efficiency, short- and long-term benefits, representation at Legislature & PUC and accelerates local innovation
- II. **Decision-Making Framework:** Whether & when to procure power, rate product elections, collection of financial reserves, termination
- III. **Limitation of Member Liability:** Member not liable for debts, liabilities or obligations
- IV. **Delegation of Authority & Commitment to Act:** Authorizes CPCNH to act as agent in operating Community Power
- V. **Professional Ability & Service Contracts:** CPCNH relies on staff & hired service providers
- VI. **Electric Aggregation Plan:** Members Plan can impact provision of services

Article VII

Term; Procurement & Termination Elections; Financial Reserves

- ⚡ Member may terminate with immediate effect via written notice, provided CPCNH has not authorized power transactions on behalf of Member CPA
- ⚡ **Election to Delay:** “Authorized Officer” may delay commencing procurement during the Risk Management Committee (RMC) meeting convened to authorize the “first purchase” of CPCNH on behalf of the Member
 - RMC will call for verbal elections to delay after discussion of market forecast
- ⚡ **Term of Service:** Member may elect to terminate service by submitting notice 36 months in advance of termination date. Early Termination & Waiting Period options
- ⚡ **Return of Joint Reserves:** After the effective date of a Member’s termination, reserves in excess of the cost incurred by CPCNH as a result of the termination will be allocated back to the Member for its discretionary use

Article VIII - Authorized Officer

- ⚡ In approving this agreement, the Member's Governing Body (e.g., select board) either retains some, or all, of these three authorities or delegates them to the Authorized Officer.
- ⚡ **(a)** Delay commencing procurement: (YES/NO);
- ⚡ **(b)** Specify default and optional products: (YES/NO);
- ⚡ **(c)** Set Discretionary Reserve adders: (YES/NO)

Article IX – Principal Representatives

Article X – Amendments

Article XI – Attestation of Signing Authority : Execution



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Questions & Discussion

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