

**New Hampshire Electric Cooperative, Inc.
Minutes of the Meeting of the
Corporate Services Committee**

**Zoom Meeting
June 13, 2024 8:30 a.m.**

Present: Corporate Services Committee members: Ed French (Chair), Alana Albee, Leo Dwyer, and Bill Darcy
Other Board members: Carolyn Kedersha and Sharon Davis
NHEC employees: Alyssa Clemesen Roberts, Mike Jennings, Jeremy Clark, Kristen Taylor, Britta Matthews, Autumn Doan, Josh Mazzei, Kelley Achenbach, Sonja Gonzalez, Carla Munoz, Rob Howland, and Edee Murphy (Recording)
Others Present: Paul Phillips-NHEC Counsel

Meeting Called to Order

Chair French called the meeting to order at 8:30 a.m.

Agenda Review

There were no suggested changes to the agenda.

Annual Inventory Adjustment

Ms. Matthews reviewed the May 2024 physical inventory results provided in the meeting packet noting the overall shortage for materials is just over \$38,000. She added additional comments as follows:

- April was the original timeframe for physical inventory, however, due to the April storm it was pushed to May.
- There is a lot of activity with the electric and broadband sides of the company including make ready, direct buried cable, SCADA projects, substation rebuilds, failed pole projects, and capital work; on top of that, additional major storms contributed to some of the shortages.
- Areas of focus in the coming year include:
 - Providing Bird Dogs and crew leads with inventory sheets when they leave the district with a contract crew to better document what is being placed in the field during storm.
 - Placing warehouse and other staff in the hardest hit districts during storm to track inventory leaving the district.
 - Raising awareness of NHEC and Non-NHEC crews to be diligent on documenting inventory.
 - Construction Services reviews each completed job and contacts district to discuss any conflicts in paperwork.
- The shortage for the garage was \$716.26; mostly bulk oil that is difficult to measure, as well as some repairs done to contractor vehicles during storm when they were providing support.
- The overall inventory shortage was \$53,491.40 or 1.1% of total inventory.

Discussion:

- ❖ In answer to a question, Ms. Matthews commented she believes that due to the major storm in April there are still materials in the staking/charge-out process.
- ❖ Ms. Davis asked if the inventory shortage will in any way effect NHEC's FEMA claim(s); Ms. Taylor replied no; typically, the FEMA reimbursements offset NHEC expenses rather than inventory shortages.

Upon motion by Mr. Darcy, seconded by Ms. Albee, it was

VOTED: That the committee recommends the Board of Directors authorize management to adjust the physical inventory as a result of the May 2024 inventory in the amount of \$53,491.40 as presented.

Vote was unanimous.

Co-op Power and RAC Rate Change

Mr. Clark noted this was a big team effort and thanked all staff involved. He mentioned this is a good news story because two significant things have happened: 1) staff is proposing that rates come down significantly, and 2) for the first time in quite a while NHEC is projecting to be over-collected as it relates to Co-op Power rather than under-collected.

In addition to detailed information included in the meeting packet, Mr. Clark reviewed his presentation, pausing for questions/discussion, including the following topics:

- Unbundled Components
- Co-op Power Load Projection

Questions/Discussion:

- ❖ Mr. Dwyer asked – is capacity measured in one year and then charged in the following year? Mr. Clark replied it is allocated based upon the peak from the prior year and is charged every month in the subsequent year starting in June. He also explained ‘blending’ when a rate period covers two different capacity periods from the ISO-NE perspective.
- Co-op Power Current Rate Period Cost Projection (Total -8%)
- Co-op Power Over/Under Recovery
 - December 2023 forecast balance of \$3.4M under-recovered by February 2024
 - Current projected balance of \$1.1M over-recovered by August 2024
 - \$0.5M to be credited in August 2024-January 2025 rates

Questions/Discussion:

- ❖ Mr. Darcy asked Mr. Clark to explain some of the reasons for the change in over/under recovery – is it a result of NHEC methodology or largely as a result of reduction in various costs during the current six-month period? Mr. Clark replied it is partly due to change in philosophy of locking in costs thus reducing under-recovery risk. Also, the mild winter definitely had an effect due to lower load than forecast, and the inventory energy program came in about half as much as forecast.
- ❖ Mr. Darcy commented he has additional questions he will formulate and submit to staff.
- Co-op Power Load Forecast
- Co-op Power August Rate Period Cost Forecast (Total -9% change)
- Co-op Power Proposed August 2024 Rates

Questions/Discussion:

- ❖ Ms. Albee commented it may be useful to add a column to the information provided on the NHEC website to show expected percentage change across all rate classes.
- Co-op Power Charge History (currently the lowest proposed Co-op Power rate since the summer 2021 rate period)
- Regional Access Cost Projection. The big change here is the RGGI Rebate (47% increase).

Questions/Discussion:

- ❖ Mr. Darcy inquired about the cause of fluctuation in auction prices. Mr. Jennings offered some insight and mentioned there may be additional information available on the state RGGI website.
- Regional Access Over/Under Recovery
- Regional Access August Rate Period Cost Forecast (Total -1%)
- Regional Access Proposed Rates. For most members, if approved, this would be a 3% decrease compared to current rate.

Questions/Discussion:

- ❖ Mr. Dwyer asked if the export rate is reset every 12 months based upon the previous 12 months performance. Mr. Clark replied that every six months NHEC updates these rates based upon a rolling 12-month period for cost and demand. Mr. Dwyer asked if staff believes that makes sense given the volatility of when the peaks are occurring; members see numbers going up and down and may not make any sense to them. Mr. Clark responded it makes sense because NHEC is using a 12-month cost; it moves around a little bit, but we are talking about 1/10th of a cent change on the basic rate. It is self-correcting – if we do see any significant shifts, we can make sure we get those benefits back to the members as soon as possible; and if there is any reduction in avoided costs, we are not over-crediting the member. Mr. Dwyer asked if 24 or 36 months makes more sense in order to smooth the rate. Mr. Clark commented it seems that 12 months has been a good mix, but staff can look into it.
 - ❖ There was discussion regarding peaks related to the regional network service charge. Mr. Clark commented it is a tariff rate that does not change monthly; Mr. Howland confirmed.
- Regional Access Charge History
 - Residential Bill Impact. For a 500 kWh bill this would be a reduction of 6%; for a 1,000 kWh bill, a 7% reduction.

Chair French thanked Mr. Clark for his comprehensive presentation.

Upon motion by Mr. Darcy, seconded by Mr. Dwyer, it was

VOTED: That the committee recommends the Board of Directors authorize staff to set the Co-op Power and Regional Access Charges on a bills-rendered basis effective August 1, 2024 as recommended in the August 1, 2024 Co-op Power and Regional Access Rate Change Proposal as presented.

Vote was unanimous. Mr. Darcy noted he has follow-up questions he will forward to staff but does not believe the answers will change his vote at full board level.

Renewable Energy Rate Proposal

Mr. Clark reviewed the Renewable Energy Rate Proposal including the following topics:

- Two renewable rate options for basic residential class:
 - 50% renewable
 - 100% renewable
- Rate built on top of basic residential cost of Co-op Power rate is adjusted (typically February and August)
- New Hampshire RPS Class I RECs would be purchased and retired for the year in which energy is billed
- Cost of program administration will be tracked and included in future rate adjustments

Question/Discussion:

- ❖ In answer to a question from Mr. Darcy regarding the volume of members who sign up for the rate, Mr. Clark confirmed that NHEC does not have to settle the RECs fully until June of the following year, allowing time for adjustment(s).
- Renewable Energy Rate Implementation
 - Renewable Choice Program to be discontinued after July 2024 billing period
 - Renewable Choice participants to be informed of program termination and how to sign up for renewable energy rate
 - Renewable Choice functionality (such as web site form) would be repurposed for new rates
 - Rates would go into effect with August 2024 billing period
 - Members need to contact Member Solutions at least two business days prior to scheduled meter-read date to opt-in for the next billing period

- Proposed Renewable Energy Rates

Rate Code	Description	Co-op Power Charge
B	Basic Residential – 17% Renewable*	\$0.08648**
BR1	Basic Residential – 50% Renewable	\$0.10509
N01R1	Basic Residential Net Meter Delivered – 50 % Renewable	\$0.10509
BR2	Basic Residential – 100% Renewable	\$0.12509
N01R2	Basic Residential Net Meter Delivered – 100% Renewable	\$0.12509

* Estimate based on NH RPS Standard and expected Class III reduction.

** As proposed in the August 1, 2024 Co-op Power and Regional Access Rate Change proposal.

Questions/Discussion:

- ❖ In answer to a question from Ms. Albee regarding why the Co-op Power Charge differs, Mr. Clark explained the difference is the cost of the renewable attributes that NHEC is purchasing to get a member to 50% renewable coverage of their usage. Members are currently going to have about 17% renewable attributes in their default service; if they want to purchase 50% renewable attributes it will be an additional almost two-point cents per kWh to purchase those RECs.
- Renewable Energy Rate Notes
 - Rates will only be available for members purchasing Co-op Power. Rates not available for members purchasing from competitive suppliers or community aggregators.
 - Members limited to a maximum offset of 100% of billed kWh
 - Members participating in Electric Assistance Program or receiving Fuel Assistance not eligible

Recommendation: Staff recommends discontinuing the Renewable Choice Program on July 31, 2024 and implementing renewable energy rates on August 1, 2024. Schedule of Rates, Schedule of Fees, and Terms & Conditions to be updated to implement changes.

Discussion:

- ❖ To allay any concerns board members may have about the proposed Renewable Energy Rates and the discontinuation of the Renewable Choice Program, Mr. Darcy pointed out this staff recommendation is consistent with previous NHEC senior management views and environmental advocates' requests going back a number of years.

Upon motion by Mr. Darcy, seconded by Mr. Dwyer, it was

VOTED: That the committee recommends the Board of Directors authorize management to set Renewable Energy rates and update the Terms & Conditions on a bills-rendered basis effective August 1, 2024 as recommended in the Renewable Energy Rate Proposal.

Vote was unanimous.

Authorized Signatory Review

Ms. Taylor reviewed the Signatory Authority list, noting the changes. She pointed out that after the board Organization Meeting to be held on June 18, 2024, the Board Chair, Treasurer, Assistant Treasurer and Audit Committee Chair names will be updated. There were no questions or comments.

Upon motion by Ms. Albee, seconded by Mr. Dwyer, it was

VOTED: That the committee recommends the Board of Directors approve the NHEC Signatory Authority list with the recommended changes as presented and subsequently updated based on the results from the June 18th NHEC Organization Meeting, specifically the names of the Board Chair, Treasurer, Assistant Treasurer, and Audit Committee Chair.

Vote was unanimous.

In closing, Chair French stated: "This is my last hoorah with the NHEC board. I want to thank management and everyone who has had any role related to the Corporate Services Committee, board support, etc. You have just been stalwart! I truly appreciate everything you have done. Good luck to my fellow board members. I will be the ex-board member, but good luck moving forward, and please move forward in a positive way."

Everyone thanked Mr. French for his service on the Board of Directors.

Adjournment

Upon motion by Mr. Dwyer, seconded by Ms. Albee, Chair French adjourned the meeting at 9:18 a.m.