

# Hopkinton Community Power Frequently Asked Questions

(updated March 13, 2024)

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## **What is Community Power?**

New Hampshire cities and towns that adopt Community Power by their local legislative body (e.g., Town Meeting or City/Town Council) can establish their own locally controlled electricity provider. Community Power provides the actual energy known as generation or energy supply, and replaces the energy supply charge from your utility company (Eversource or Unitil). The utility will continue to charge you for their transmission and delivery service. Community Power is enabled by [New Hampshire RSA 53-E](#).

## **Why adopt Community Power? What's the point?**

The New Hampshire Legislature found that allowing municipalities and counties the local control to aggregate retail electric customers for the purpose of accessing competitive markets for supplies of electricity and related energy services was beneficial for lowering costs and creating cost effective and innovative energy solutions with careful consideration of local conditions and opportunities.

Community Power could create new electricity supply choices for Hopkinton residents and businesses with cost benefits and the potential for environmental benefits beyond that of the default service supply from the utility.

## **How is Community Power funded? Are taxpayer funds used?**

Community Power has no impact on the Town budget. Community Power is financed by the revenues received from customers based on the electricity they consume. Community Power programs are self-funded and provide electricity supply and customer services without using any tax dollars, which ensures that any financial benefits directly serve the community.

## **Do I have to participate in Community Power? Can I opt out?**

You get to decide! Hopkinton residents and small businesses will receive an enrollment note at least 30 days before the program launches. Any customer may opt out of their Community Power program without fee or cost. Customers who do not choose to opt out will be enrolled onto Community Power service after 30 days (upon your next regularly-scheduled electricity meter reading date). Customers who already shop with a competitive supplier will not be automatically enrolled, but may choose to opt-in.

## **Why is Community Power opt-out instead of opt-in?**

New Hampshire was the first state in the nation to pass Community Power legislation in 1996. However, our market lay dormant for more than twenty-five years because the original legislation only allowed for opt-in programs. Opt-in programs fail to realize benefits for customers because they are unable to achieve the required economy of scale to effectively lower costs. In 2019 and 2021, the legislature passed bills to bring our Community Power Act up to date with national best practices, and to allow for opt-out programs.

Community Power is voluntary. It is a way to add additional affordable choices for customers that are more aligned with local interests, while maintaining other existing choices such as utility default supply, and third-party options. Customers are free to opt-in and opt-out as they choose.

### If I opt out, can I return to Community Power at a later date?

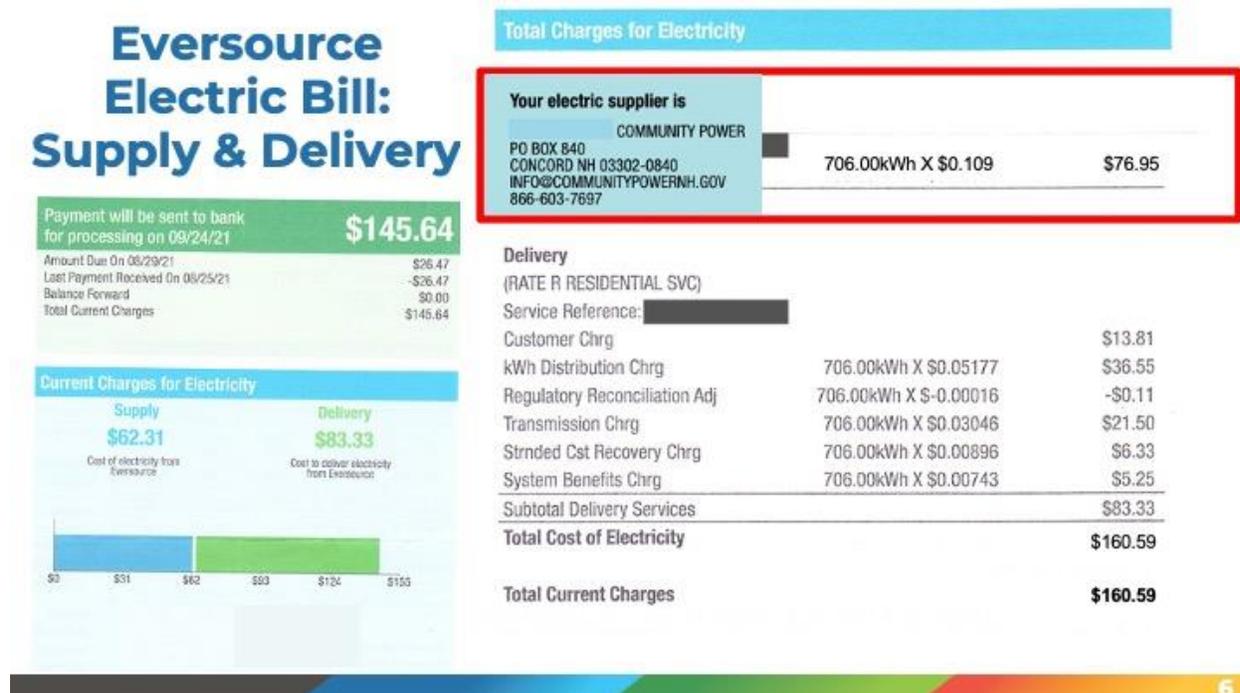
Customers who opt out of Community Power service may return at any time. Once notice is provided to the utility you will be switched to Community Power after the next monthly billing period and meter read by the utility company.

### Does Community Power replace my current utility company?

Community Power only replaces the *electric generation and supply* services. Your utility company (Eversource or Unitil in Hopkinton) continues to provide all *electricity delivery, consolidated billing, and power line maintenance*.

### Please break down the components of an electric bill and describe how community power addresses each component?

Following is a sample Eversource bill:



With community power, you will see a change in the “electric supplier” – the area highlighted in a red box. Instead of Eversource or Unitil, your electric provider will be “Hopkinton Community Power”. And instead of the utility’s default supply rate, your rate will be the Hopkinton Community power supply rate. All of the charges related to “Delivery” will remain unchanged, as these will continue to be charged and received by the utility.

## **Will the Town become a Utility?**

No. The distribution utility companies will continue to own and manage the distribution poles and wires, emergency services and billing. Charges for these remain the same. The utilities will continue to respond to outages and provide customer services.

## **Does the program affect service from the utilities, or their profit?**

No. The utilities profit from providing transmission and distribution services. They make money on the infrastructure and services that provide power and serve you in an emergency. The utilities do not profit from energy supply, as this is a ‘pass-through’ cost mandated by our state’s energy regulations.

## **Are Community Power customers still eligible to receive rebates from NHSaves for energy efficiency?**

Yes. The Public Utilities Commission authorizes Eversource and Unitil to collect fees (called Systems Benefits Charge) from all customers to fund NHSaves energy efficiency incentive programs. The utilities will continue to collect these fees and Community Power customers will remain eligible for these incentives and services. Visit [www.NHSaves.com](http://www.NHSaves.com) to learn more about saving money by saving energy.

## **Will I continue to receive my Electric Assistance Program (EAP) discount?**

Yes. Electric Assistance Program discounts continue to be available to Community Power customers and provides the same discount regardless of enrollment with Community Power. Customers enrolled in Community Power continue to receive their Electric Assistance Program discount. There is no need to reapply. New Electric Assistance Program enrollments and renewals for Community Power customers are processed by [local Community Action Agencies](#).

## **How does Community Power provide lower-cost electricity to customers?**

Hopkinton Community Power will partner with an energy supplier/broker to purchase power from the New England regional wholesale electricity market (known as ISO-NE). Our supplier/broker will be aggregating the electricity load of many communities to secure the lowest-cost electricity supply for Community Power customers. Utility company default rates change twice per year, but the Town is not bound by this rigid schedule. Market timing, buying power and strategies like group net metering are used to lower rates.

We currently anticipate working with the non-profit Community Power Coalition of NH to provide our electricity supply. The Community Power Coalition’s approach is comparable to how the NH Electric Cooperative manages the cost of electricity, which has historically achieved lower rates for customers — and has been endorsed by New Hampshire’s Consumer Advocate ([online here](#)). Under NH law, Community Power programs also have the option of hiring a broker, who will contract with an existing for-profit power supplier.

## **What is the Community Power Coalition of New Hampshire?**

The Community Power Coalition of New Hampshire, also known as “the Coalition,” is a public power agency, created by New Hampshire cities and towns as a non-profit on October 1, 2021. The Coalition is governed by a Board of Directors of elected officials, staff, and volunteers appointed by each of our local municipal and county members. The Coalition provides comprehensive services to launch and operate Community Power programs. Visit [www.cpcnh.org](http://www.cpcnh.org) to learn more.

## **How are my Community Power rates set?**

Hopkinton Community Power will contract with an energy broker or power agency to procure competitively priced electricity supply for our customers. The Hopkinton Community Power Committee currently anticipates partnering with the nonprofit Community Power Coalition of New Hampshire for energy procurement, however the Select Board must ultimately approve the selection.

For Community Power Coalition of NH members, rates are set by the Coalition’s board, which is governed by its member cities, towns and counties. The Coalition sets and adjusts rates with the objective of saving customers money and increasing power options. They offer at least one supply option at a discount relative to your utility supply rate along with cleaner (higher % of renewables) choices. Most utility rates are set twice a year, covering February 1 - July 31 and August 1 - January 31. The Coalition's rate schedule will mimic the local rate period.

## **Will Hopkinton Community Power offer more than one plan?**

Yes. Hopkinton Community Power will offer options with varying levels of renewable energy. The “default” option is expected to mirror the standard offered in the utility default service plan (currently 23.4% renewables as required by NH’s Renewable Portfolio Standard). You can change your preferred energy supply plan at any time.

## **I buy power from a 3rd party electricity supplier - does this affect me?**

Customers in Community Power municipalities and counties who already shop for electricity using a third-party provider will receive a mailed notification about the commencement of the program, just like other customers. However, these customers will not be automatically enrolled. Unless you choose to enroll, nothing will change for you. If you get your electricity from a 3rd party supplier and are interested in signing up for Community Power, you will be able to switch over. (Don’t forget to check with your current provider to determine if there are any early termination fees or penalties for leaving their supply service.).

## **I have solar at my home/business and am a Net Metering customer. Can I participate in and fully benefit from Community Power?**

Not yet, but hopefully soon.

Community Power programs are interested in supporting the growth of local renewable energy. At present, however, community power is unable to properly serve and credit net metered customers for their excess generation, and as a result, community power providers recommend that these customers remain on their distribution utility's default energy service.

There are two factors that must be resolved in order for Community Power to be able to properly serve net metered customers and to offer additional innovative energy services:

1. Distribution utilities must share information on the net amount of power that is exported to the grid by a net metering customer, for example, over a monthly billing period.
2. Distribution utilities must properly account for net exports from net metered customers as "load reduction," that is, an offset to the amount of power we are obligated to purchase in the ISO New England wholesale market.

Without resolution on these two issues, Community Power cannot (1) properly credit net metered customers for their net exports; nor (2) accurately realize the value of sourcing power locally from within the community without having to purchase that power twice (once from the net metered customer, and a second time in the ISO New England wholesale market).

Community Power providers are working with the utilities and state regulators to resolve these issues. Once resolved, Community Power will offer net metering rates and terms to compensate customers for their net metered surplus generation.

### **Can Net Metered customers choose to be enrolled in Community Power?**

Net metered customers with onsite generation will not be automatically enrolled. Community power programs rely on the distribution utilities to identify which customers are net metered so we can exclude them from enrollment.

Net Metered customers with onsite generation may still elect to opt-in and be served by Community Power programs, but the benefits of doing so should be calculated carefully before enrolling. Net metered customers served by Community Power programs will not receive any monetary supply credit for their excess energy production (exports). Customers would continue to receive non-supply related components (such as transmission and distribution credits) directly from their distribution utility, as specified under the terms of their applicable net metering tariff.

Opting-in to Community Power will have different implications for customers depending on whether they are currently on Net Metering 1.0 or 2.0 tariffs offered by their utility:

- Customers currently on "net metering 1.0" tariffs receive kilowatt-hour credits from their distribution utility for any electricity generated in excess of their onsite usage each month. These customers will continue to carry forward kilowatt-hour (kWh) credits month over month as an offset to future kWh consumption. However, if they generate more power than they consume over the course of the year and elect to monetize ("cash out") their credit on an annual basis, they will not receive any monetary credit for the annual surplus of their accumulated kWh credits from Community Power until issues with utilities are resolved.

- Customers who want to enroll in Community Power that are on a “net metering 2.0” or “alternative net metering” tariffs will no longer receive monetary supply credit for electricity generated in excess of their onsite usage (export) each month. Some net metering customers never produce more energy than they use during a month. Other customers will export only a small amount of energy some months of the year. The Community Power default service rate has been lower than the distribution utility rate since we launched in 2023. In some cases, a “net metering 2.0” customer that elects to be served by Community Power will still have a lower bill over the year even if they are not credited for their “export” credits because of the savings on their usage of energy.

## **Does Community Power offer Time-of-Use rates?**

With a Time-of-Use rate, a customer pays a different energy rate depending on time of day. Community Power programs can serve 2-part Time-of-Use customers (peak, off-peak) in Eversource territory. These customers’ current time-of-day rate only varies by time of day for the utility’s distribution charges. They pay a fixed rate for supply from the utility and will continue to pay a fixed rate for supply provided by Community Power programs.

There are two main barriers preventing Community Power programs from fully serving 3-part Time of Use customers (peak, mid-peak, off-peak):

- Utilities will not allow Community Power programs to provide anything other than a flat, fixed supply for use in calculating customer bills (when the utility performs the calculations and issues the bill on behalf of Community Power programs, as they do for most customers).
- Utilities will only tell Community Power programs how much electricity Time of Use customers have used over the course of each month and will not tell us how much electricity they’ve used during the 3 different periods of the Time-of-Use rate. Without this data, Community Power programs have no ability to independently offer customers a 3-part Time-of-Use rate and bill the customer directly for their supply charges.

Consequently, customers currently on a 3-part Time-of-Use rate with a supply charge that varies by time of day will NOT be automatically enrolled in Community Power programs and do not need to opt-out at this time.

Customers can still elect to opt-in but would have to accept a fixed rate at this time (a flat rate that does not vary by time of day). It therefore may or may not financially benefit Time of Use customers to take service from Community Power programs. The Community Power Coalition of NH recommends that customers assess whether their Community Power program’s fixed rate is a better option for them as compared to their utility’s 3-part Time-of-Use rate before making their decision.

## **Does Community Power offer monthly variable rates?**

Yes. Subject to certain limitations and considerations imposed by utility billing systems, Community Power offers customers a monthly variable rate if they are on a monthly variable rate provided by their distribution utility prior to being enrolled in Community Power.

Customers in the following rate classes are eligible for monthly variable rates: Eversource Class GV customers, and Unitil Corporation Domestic and Non-G1 Class customers that are currently on Unitil's default supply rate.

Eversource provides Community Power programs with the data necessary to identify customers who are currently on monthly variable rates. Consequently, these customers are eligible to be automatically enrolled in Community Power monthly variable rates.

To date, Unitil has not identified which default service Domestic and Non-G1 Class customers are currently on monthly variable rates. Until this is resolved, Domestic and Non-G1 Class customers will need to follow up with our energy provider to verify that they're currently on a monthly variable rate provided by Unitil Corporation. (Absent verification, customers will be enrolled onto our fixed period rates.)

Community Power monthly variable rates change on the first day of each month. These rate changes are submitted to the customer's utility each month, so that the utility can calculate customer supply charges to present on monthly bills.

Eversource and Unitil Corporation impose limitations on how supply charges are calculated for customers on monthly variable rates. Both utilities currently "pro-rate" their own default supply rates that vary based on calendar month — such that a customer whose billing cycle begins on May 15th and ends on June 15th would be charged the May rate for usage in May, and the June rate for usage in June — however for customers in Community Power programs they calculate customer bills by applying the monthly rate applicable at the start of each customer's billing period to all usage within that billing period. Consequently, a customer whose billing cycle begins on May 15th and ends on June 15th would be charged the May rate for all electricity used between May 15th and June 15th.

The limitations imposed by Eversource and Unitil Corporation are non-compliant with regulatory rules. Utilities are supposed to provide the same billing services to customers regardless of whether they are served by the utility or a Community Power program. Efforts are underway with the Public Utilities Commission to bring Eversource and Unitil Corporation into compliance to resolve this issue.

## **How does Community Power comply with NH's Renewable Portfolio Standard? What type of renewable energy is purchased?**

New Hampshire's Electric Renewable Portfolio Standard ("RPS") statute, [RSA 362-F](#), established the renewable energy policy for the State.

The RPS statute requires each electricity provider, including utilities and Community Power programs, to meet a certain percentage of customer load by purchasing, generating or otherwise acquiring Renewable Energy Certificates (“RECs”):

- One REC represents the renewable attributes of one megawatt-hour of electricity, or the equivalent amount of thermal energy.
- RECs are generated by certified renewable energy facilities for power that is physically delivered into the New England wholesale electricity market operated by ISO-NE (which means the power can come from within New England, New York or eastern Canada).
- The New England Power Pool Generation Information System (NEPOOL GIS) issues and tracks RECs for the region.
- RECs are generally used for compliance in the same year as the renewable power was generated, though suppliers may “bank” RECs for up to two years to meet up to 30% of compliance requirements.

New Hampshire’s Renewable Portfolio Standard (RPS) requires all electricity providers to acquire specific percentages of RECs sourced from five different categories of renewable resources: Class I (new renewable resources), Class I thermal (useful thermal energy), Class II (new solar), Class III (existing biomass / methane), and Class IV (existing small hydroelectric). One REC represents the renewable attributes of one megawatt-hour (MWh) of electricity, or the equivalent amount of useful thermal energy generated, and each REC is issued and tracked through the New England Power Pool Generation Information System (NEPOOL GIS).

Electricity providers are required to submit annual reports demonstrating that they’ve secured the legally required number of RECs for the prior year reporting period and make alternative compliance payments for any RPS component for which RECs are not secured and retired. For 2023 the minimum renewable requirement is equivalent to 23.4% of customer electricity consumption. Refer to the NH Department of Energy’s website for additional information regarding RPS compliance requirements ([online here](#)), and to the Community Power Coalition’s RPS overview page ([online here](#)).

### **What can be done to encourage and facilitate residential and local solar?**

There are currently a range of grants and tax incentives for households, businesses, schools and municipalities to install solar. The best source of information on these programs is through the NH Dept of Energy and the IRS.

Under community power, if the town wanted to proactively support the development of more local renewables, Hopkinton could decide to add a very small renewable energy charge to each customer's bill. Over time, this would accumulate a reserve account that would be available to support local renewable energy projects that benefit the community. The Hopkinton Community Power Committee is not currently considering such a charge, but it could be considered in the future.

## **Are we looking into installing solar on town or school property to provide local renewable energy for municipal, school, or residential electricity needs?**

This is outside the scope of Hopkinton Community Power. That said, the town has received a grant to construct a 100kW solar array at its wastewater treatment facility, and other options are being considered by the town and school energy committees.

## **How is this working in communities who are currently using community power? How much money are customers saving?**

Hopkinton Community Power Committee members have spoken with representatives of several communities with community power. Thus far, we have heard positive reports across the board. Savings for an individual household will vary based on four primary factors:

- A household's monthly and annual electricity use
- Which supply plan is selected by the customer (i.e., what level of renewable energy content)
- The difference between utility default supply rates and community power rates
- The community's choice of a power broker or power agency partner for energy supply

Communities that have been working with the Community Power Coalition of New Hampshire have saved ~\$10 million in customer bill savings over the past year.