

Allison:

Good evening. Good evening, and welcome everyone to our live telephone town hall meeting we have for you this evening. We had a few folks who dialed in early. We want to thank you so much for being prompt. We will get started with this call in just a few moments. Please bear with me as we are dialing out to thousands of members, and we don't want anyone to miss a thing, so again, welcome, and hello, and good evening to everyone just joining. You are live on the line with New Hampshire Electric Co-op, our telephone town hall meeting we have for you this evening.

Again, you are live on the line with NHEC. This evening, we'll be talking with members about the summer heat waves and your electric bill and how we can beat the peak together. We do these calls as a way to open up the conversation, and we want you to join our conversation. The way to join in is by pressing zero on the keypad on your phone. Again, that is zero on the keypad on your phone to get in line with a question. You can do that anytime during the call, early or later. We'll be on, oh, for about the next half hour or so. Also this evening, I have a few polling questions for you I'm going to do during my intro as well so we can hear from you and get your opinion that way, so two ways to join the conversation this evening: by pressing zero to get in line with a question, comment, or concern, and also weigh in on three polling questions I'm going to ask here just over the next few moments.

Again, welcome to everyone who is just joining. You are live on the line with New Hampshire Electric Co-op, or NHEC. Tonight we have a very special telephone town hall meeting for you. We'll be discussing the summer heat waves and your electric bill and how we can beat the peak together, so very important topic. Please stay on the line so you don't miss a thing. Again, please press zero on the keypad on your phone to get in line with a question. I see a couple folks taking us up on this already. Can't wait to hear from you. Again, zero on the keypad on your phone to get in line with a question, and now I'll go to our first polling question of the evening as promised. You'll simply vote by pushing the buttons on the keypad on your phone. I'll go through each question twice.

First question goes like this. We want to know, are you aware that NHEC has a voluntary demand response program? Please press one for yes and two for no. Again, voting right now on the keypad on your phone. We want to know, are you aware that NHEC has a voluntary demand response program? Press one for yes and two for no. All right, while everyone weighs in on that, want to welcome everyone again. Welcome to our live NHEC telephone town hall meeting we have for you this evening. In just a moment here when we finish our dial out, I'm going to hand this over to Seth Wheeler, our communications administrator. Seth is going to interview our panel about our topic of this call this evening, which is summer heat waves and your electric bill, and then we'll get to your member questions. Again, press zero on the keypad on your phone to get in line with those questions, comments, or concerns. Press zero on the keypad on your phone. All right, now we're going to get to our second polling question of the evening. Not sure if my first one worked or not. I hope everyone pressed zero. It

could be a blip in my system, but I'm going to ask that one again here in just a second.

But our second polling question of the evening, did you know that power costs are different depending on the hour and day, et cetera? Please press one for yes and two for no. Again, did you know that power costs are different depending on the hour and day, et cetera? Press one for yes and two for no. Now my system's working. That is fantastic. All right, lots of folks in line to press zero. Hang with us there as you can. Our staff members are getting those in. Again, welcome everyone. You are live on the line with NHEC for our summer telephone town hall meeting we have for you this evening. We'll be discussing summer heat waves and your electric bill and how we can beat the peak together, so while everyone's weighing in on that, I'm going to go to our first polling question that, for some reason, my computer did not populate it, so I'm going to ask it again very quickly. We want to know, are you aware that NHEC has a voluntary demand response program? If you voted before, please vote again. Press one for yes and two for no. Are you aware that NHEC has a voluntary demand response program? One for yes and two for no.

All right, that's working now. In just a moment here, I have one more polling question for you, and then I'm going to turn this over to Seth Wheeler, our communications administrator. He's going to interview our panel tonight about summer heat waves and your electric bill and how we can beat the peak together. If you have questions, comments, concerns, please press zero on the keypad on your phone to get in line with that as we do want to hear from you. We do these calls as a way to open up the conversation, so get in line with those, and also by voting on these very important polling questions I have for you in the beginning. All right, thanks for everyone who weighed on the first two. Now, we're going to get to our third and final polling question of the evening before I turn this over to Seth, and we get the call started. We simply want to know, this is a very important question and timely for this evening, would you be interested in participating in a program that offers a monthly bill credit in exchange for installing a smart thermostat that adjusts your air conditioner during peak demand hours?

Again, if you install a smart thermostat that adjusts your aid conditioner during peak demand hours, would you be interested in a program that offers a monthly bill credit in exchange for that? Please press one for yes, a monthly bill credit would need to be five dollars or greater; press two for yes, a monthly bill credit would need to be 10 dollars or greater; and please press three for no, you're not interested in participating in that type of question, or that type of program. I'm so sorry. All right, I'm going to read that one again here for you. Would you be interested in participating in a program that offers a monthly bill credit in exchange for installing a smart thermostat that adjusts your air conditioner during peak demand hours? Press one for yes, but the bill credit would need to be five dollars or greater; press two for yes, but the bill credit would need to be 10 dollars or greater; and then press three for no, if you're not interested in participating in that type of program at all.

And while everyone weighs in on that last time here, I'm going to welcome everyone who is just joining our call. You are live on the line with NHEC for our telephone town hall meeting. This evening, if you have a question, don't hesitate to press zero on the keypad on your phone to get in line with a question, and with that, it is now my pleasure to kick this call off by turning this over to our communications administrator, Seth Wheeler. Seth, please take it away, sir.

Seth Wheeler:

Thanks, Allison, and thanks everyone for joining us again tonight, and well, we're finally approaching the summer months, or at least that's what the calendar says. I mean, it's got to happen sometime I'm figuring, so whenever it does, I think summer is going to be welcomed with open arms here after the winter and spring we've had, and as we all know, there's a lot to like about summer in New England. But one thing that's not so great is the increased demand for electricity that typically occurs in the summer months. The amount of electricity that co-op members use varies during the course of the year and even from hour to hour on a given day, but there are certain times when electricity usage spikes as all our members use more power at the same time.

These high usage periods are called peaks. In industry terms, New England is what's called a summer peaking region, which means that demand for electricity reaches its annual peak during the summer months. Meeting that peak demand for electricity is expensive for electric utilities, not just because of the need to buy high-priced power to meet a few hours of peak demand. Peak demand events also impact the cost of power year round. We're here tonight to talk more about peak demand, why it happens, the effect it has on your electric bill, and the simple steps we can all take to help reduce our usage during peak events and keep future rates as low as possible.

Joining me tonight to help discuss peak demand and our peak demand programs are Dave Erickson and Alicia Melanson. Dave develops the co-ops load management strategies, one of which is our peak days program, which we'll hear more about a little later. Alicia manages our peak days program, which means she spends most of the summer with at least 1 eye on the weather forecast waiting for those heat waves. Dave, we'll start with you. Help our listeners understand in a real basic sense when and why these peak demand events occur and why they're so expensive.

Dave Erickson:

Well, thanks, Seth, and thanks to everyone for joining us. NHEC is connected to a larger regional system that serves New England with electricity. The overall demand for electricity from this system varies by hour of the day, day of the week, and season of the year. The demand is driven by patterns of use that are fairly predictable. The highest demand for electricity, also called the peak demand, occurs on the New England system in the summer. The summer peak is mostly due to air conditioning use on the hottest days of the year that occur from June through September, so that's when and why the peak occurs, part of your question Seth.

But you also asked about why these events are so expensive. One major component of our electricity costs, the so-called capacity cost, is based on our demand for electricity during the system peak for the year. Capacity costs are related to the amount of generation available at all times in order to ensure reliability. All of the electric customers in New England share the cost of keeping the system reliable, and a capacity charge is the way to spread that cost fairly. The more electricity we're using during that peak hour, the higher our costs are.

Seth Wheeler: All right, Dave, thanks. And so bottom line from you, does that mean that, would you say the month after a really high peak demand period that the member's going to get a high bill?

Dave Erickson: Well, that's a good question, but not necessarily. Members' bills from month to month are based on their individual usage. Where the peak-related costs show up is in the rates in the following year. Members see the impact of our NHEC peak demand further into the future. Peaks are expensive. The cost per kilowatt hour that the co-op pays for electricity during the peak is usually higher, both during the peak itself based on the wholesale cost of electricity, but also because of demand-related charges. The annual peak effect's what NHEC pays for future power that is used year-round, not just during the peak demand periods as we talked about earlier.

All these capacity-related charges pay for making enough generators available to provide reliable power to New England, even when the system is under stress, such as when a generator goes offline unexpectedly or times of high demand as we talked about earlier. We're part of a bigger system, Seth, and these capacity charges are one of the ways that NHEC pays its part. It makes sense that if we can lower our collective demand for energy during that peak hour, we will pay less for electricity that is supplied by the New England system.

Seth Wheeler: I think I get that. That means we're looking for that one hour when that peak demand occurs in New England, and whatever our members' collective usage is at that time, we're going to be basing our capacity costs on that going forward really for the next year or so. I think that makes sense to me. What are some of the strategies in that case that we've developed here to reduce the impact of these peak demand events?

Dave Erickson: Well, there are a few different ways, Seth. We've used, for the last 30 years, technology solutions to help members use automation to reduce peak use. Some examples of these technologies are controllable water heaters and thermal storage devices. The co-op's always looking for better ways to use technology, and we're actually looking forward to rolling out some innovative programs in the next year or so that offer these solutions to members, so stay tuned.

We also actively work to reach out to our members to help them understand the connection between peak demand and higher future rates. We can use a

variety of means to inform them when peak demand events are expected to occur so they can take action to reduce their electric usage

Seth Wheeler: Thanks, Dave. That's a good segue to Alicia, who manages our peak demand programs. Alicia, follow up with Dave, and tell our listeners about our peak days program. What is it, and how can they participate?

Alicia Melanson: Sure, thanks Seth. Peak days is a free and voluntary program that alerts our members when peak demand events are expected to occur, and the goal of this program is really to encourage members to reduce their electric usage during those critical hours when regional demand for electricity is at its highest. When a member enrolls into this peak days program, they will get either a text, voice, or email alert the day before the event is expected to occur and then again when the peak event begins.

Seth Wheeler: What kind of commitment are we looking at then? Is this a major commitment? How many peak events do you expect to occur during a given summer?

Alicia Melanson: Sure, good questions. First of all, it's important to stress that this is a completely voluntary program. There's no obligation to reduce your usage when we call an event. The maximum number of peak events that NHEC can call in a given season, which is June 1st to September 30th, is 15. Peak events are only called on weekdays and never on weekends or major holidays, and last year, for example, we called a total of eight peak events.

Seth Wheeler: When we call a peak event [inaudible 00:14:11] so what are the hours that we're asking members to voluntarily reduce their usage?

Alicia Melanson: Sure. The hours can vary between 12 to eight PM, but typically we see that peak hour residing between four and seven PM. Based on the past events from last year, that's the hours when the demand for the electricity is highest in New England.

Seth Wheeler: And what are some suggestions that we have for members who want to help by reducing their usage during peak events? I know that if it's really hot, I'm kind of reluctant to turn up my air conditioner, but how can they do that without a lot of inconvenience?

Alicia Melanson: Absolutely. We ask members to adjust their air conditioning set point up two to four degrees or higher if they feel comfortable doing so; drawing the shades to block the sunlight and keep your house cooler; put off those energy-intensive activities like laundry or the dishwasher until after the event or before the event starts; avoid using the oven during the peak hours; get outside and grill, or even better, go out to eat. Any action that a member can take to reduce their usage, no matter how small, will help. The power of the peak days program lies in numbers, and the more members who participate, the more we can reduce our peak, so sharing alerts and telling your neighbors about the program helps.

Seth Wheeler: That's a great idea, and it's not just residential members who can help us beat the peak. I know that businesses, schools, and municipalities for instance can also play a big role in reducing peak demand. Dave, what are your suggestions for this segment of our membership? How can they participate?

Dave Erickson: Well, I'm really glad you asked that, Seth, because last year, we enrolled a group of business members for the first time and had great results. Our commercial participants more than doubled the total load reduction we'd seen in previous years, so some suggested steps for our commercial members include turning off any unnecessary lights, or use dimmers to turn down lights. This is kind of a cool one. Pre-cooling your building. You turn the thermostat to cool the building before the peak hours, and then during the peak hours, you turn them up again or turn them off.

And then finally, if possible, if your business uses energy-intensive processes like, oh, metal smelting or cement production or even large ovens, for example, if you can shift those energy-intensive processes to hours either before or after the peak event, that is an enormous help for us.

Seth Wheeler: Good stuff. Alicia, how can members enroll in the peak days program if they are so inclined?

Alicia Melanson: Good question, Seth. Enrolling is quick and easy. Members can visit our website, W-W-W dot NHEC dot com, and click on the ways to save tab, and then the peak days tab will be under there, or you can call our member solutions department to get you enrolled. We're also encouraging anyone who's interested to enroll before July 1st to be entered into our random acts of coolness grand prize drawing of an iPad. The winner will be awarded an iPad and for their own random act of coolness, they'll have a second iPad to give away to a person of their choosing.

We'll also be giving away prize packs every time we call a peak event, and to celebrate our success, we invite all of our members to cool off at a free ice skating event on August 7th at the Plymouth State University ice arena. The details for that will be coming soon on our website.

Seth Wheeler: Great. Thanks Alicia. And just a recap, free, voluntary. There's no penalty at all for not participating. We're just asking members to do what they can to reduce their usage during peak events.

Alicia Melanson: Absolutely.

Seth Wheeler: All right, thanks, guys. That's a lot of information. This is a fairly complex topic, so I'm sure our listeners will have some questions, and Allison, we can get to those questions when you're ready.

Allison: All right, excellent. Thank you so much, Seth. Our first live question of the evening is going to be Eric. Eric, you are live on the line. Please go ahead with your question.

Eric: Hello?

Allison: Eric, can you hear me?

Eric: Yes, I had a question. I was looking into purchasing a Tesla wall. That's the battery device that's used supposedly to charge from your power system or from solar if you put solar panels on your roof and has up to a three day supply in case of a power failure, and it's supposed to be much more ecologically friendly than a propane or gas generator, and I was wondering whether the co-op is going to support it, because unfortunately, when I inquired about it, they said that it was unavailable in the co-op territory, at least in the area where I live.

Seth Wheeler: Sure. We'll have Dave take that. Dave, you want to give that a shot?

Dave Erickson: Sure. Thanks for the question, Eric. That's actually really a big part of what we're thinking about now in the co-op in terms of some of these solutions I mentioned earlier, so I would say over the next, oh, six months to a year, look for us to start doing some things with battery storage, and we hope to make that a lot easier for you to do coming up in the next relatively short period of time.

Allison: All right, excellent. Thank you so much, and thank you, Eric, for your participation this evening. Our next question comes in from somebody earlier today and goes like this: I'm already enrolled in the peak days program from previous years. Do I need to re-enroll every year?

Seth Wheeler: Alicia, go ahead. You take that one.

Alicia Melanson: Sure. Thanks, Allison. There is no need to enroll every year. Once you're enrolled, your account will stay enrolled until you opt out.

Allison: All right, excellent. Thank you so much, Alicia. And the next question we get often: How do I change my preferred method of contact?

Alicia Melanson: Sure, I'll take that one. You can visit the enrollment portal under the ways to save tab on our website, or you can call our member solutions department, and let them know that you want to change your method of contact.

Allison: All right, awesome. Great questions. Keep them coming, guys. Next one: What happens to my bill if I am unable to participate in a certain event?

- Alicia Melanson: Good question, Allison. Thanks. This is a completely voluntary program, and we understand that life happens sometimes, so if you're unable to participate in a certain event, nothing will change on your bill.
- Allison: All right, fantastic. Thank you. Next one: I would like other people in my house to also receive alerts for peak events. Is this possible?
- Alicia Melanson: Yes. Good question. There are three ways to be contacted, either a voice call, a text, or an email, and you can choose one of these methods or a combination of any as well as all three.
- Seth Wheeler: And I know you mentioned earlier too, it helps to share alerts too, and you can create your own little social network with that.
- Alicia Melanson: Absolutely, and feel free to post on social media when we call events as well.
- Allison: All right, excellent. Thank you so much. Next up we have Rogan live. Rogan, you are live. Please go ahead with your question.
- Rogan: Hi, I've got two questions as a matter of fact. Is there going to be an increased charge during peak hours?
- Dave Erickson: Sure, Rogan. I can take that. No, there is not.
- Rogan: And then my second question is, is this convenient time to hold a press conference while I am having a power outage at my own home?
- Seth Wheeler: I'm sorry to hear that. What town do you live in?
- Rogan: [crosstalk 00:22:41] right outside of Danbury.
- Seth Wheeler: We can report that for you right after the call if you haven't called it in already, but sorry about that.
- Rogan: No, it's quite all right. I just didn't know if it was happenstance or just convenience.
- Seth Wheeler: Pure coincidence. I can assure you.
- Dave Erickson: We didn't plan it.
- Allison: Absolutely not. All right, thanks so much, Rogan, for your participation this evening. Really appreciate that. Next question goes like this: I don't have a computer. Can I still participate in this program?

Alicia Melanson: Yeah, sure, Allison. This is Alicia. I'll take that. Yes, you can still participate in this program. Just give member solutions a call, and let them know that you want to be enrolled, and we'll get you enrolled.

Allison: All right, fantastic. Thank you so much. Next up we have Joan on the phone. Joan, you are live. Oh, I'm so sorry. Joan, you asked that I mute you. I am so sorry. Or not that I mute you, that I read yours. I apologize. Your question goes like this: What's the percentage of power that we use that comes from renewable energy sources?

Seth Wheeler: I'm going to turn it over to Brian Callnan, who's also with us here, and Brian is a expert on that subject, and he will let us know.

Brian Callnan: Hi, Joan. This is Brian. Thanks for the question. We've got quite a few renewable resources in our portfolio, and I'm not going to go ahead and include the net metering that our members have on their system. We've got four wind farms that we take power from. We have a landfill gas generator, and we have four hydro-resources. When you add those all up, we get right around between 11 and 15 percent of our energy is coming from those resources.

Allison: All right, excellent. Thank you so much, and thank you Joan. Sorry about that almost taking you live there. We have Carol up next who does want to go live, so Carol, you're live on the line. Please go ahead with your question.

Carol: I'd like to know currently how many are enrolled, and what effect is that having on our electric bills?

Seth Wheeler: The question was how many members are currently enrolled, and what is the effect on electric bills?

Alicia Melanson: Sure. Good question, Carol. Currently, we have around 2900 enrolled in the program, and I'll let Dave answer for the impact that it has.

Dave Erickson: That's a very good question, Carol. Last year, we saw at the peak hour, which was on August 29th, a reduction of about two point two megawatts, or that's 2200 kilowatts, which is probably, what, about enough to power 100 homes, so it was significant. And we're looking to do better this year.

Allison: All right, excellent. Thank you so much, and thank you so much, Carol, for your question this evening and participation. Next up, we have Wanda. Wanda, you are live. Please go ahead.

Wanda: I came in later in the call, but I thought that I was hearing about some automated ways to help restrict the power. Is there a way to maybe set up something to shut off my hot water heater and my freezer, the things that I know use a lot of electricity?

Dave Erickson: Sure, that's a great question, Wanda. What we have generally is a program, we call it direct load control or DLC, so this is the program I mentioned earlier that we've had for about 30 years, and it involves a switch that gets installed at your home, and right now, we have it set up to control either water heaters, or we have electro-thermal space heat or some baseboard heat that can be controlled. Of course, this is all part of the deal that we make with you, and then in exchange for that, you get paid a monthly credit on your bill.

And we're looking to continue those types of programs. We're going to probably start upgrading the technology for the direct load control program I just mentioned, and we're also going to start looking at other technologies like smart thermostats, or we already have started this, smart thermostats, potentially electric vehicle chargers, and these will all be controlled in an automated fashion that the normal user probably would not ever notice but also provides a significant benefit to the co-op.

Allison: All right, excellent. Thank you so much, and thank you, Wanda, for your participation this evening. One more question. Alicia, this is about that drawing you discussed, goes like this: I'm already enrolled in the peak days program from previous years. Will I still be entered into the drawing for the iPad?

Alicia Melanson: Thanks, Allison. That's a great question. The answer is yes. We will take all the members currently enrolled as of July 1st, and we will draw a winner from there, so if you're already enrolled from previous years, you still have a shot.

Allison: All right, great news. Thank you so much, and with that, we have just about reached the end of our allotted time for this call. We did our best to squeeze in as many questions as we could. If you still have a question, comment, or concern, stay on the call till the very end, just a moment or two from now, and you'll be able to leave us a message, so we encourage you to do that. If you would like a staff member to try to reach back to you, please provide us your best contact information, be that a phone or an email address. Spell it out slowly for us so we have a fighting chance on that, and with that, now I'm going to turn this back to you, Seth, to bring us to the finish line.

Seth Wheeler: Great, Allison. Thanks, and again, thanks everybody for joining us tonight. This is not always an easy topic to digest quickly in this kind of a format, but we hope that you'll leave this call with two simple takeaways. Number one is that peak demand events have a big impact on our future electric rates, and number two, every co-op member can help us beat the peak by taking actions, however small, to reduce their usage during peak events.

Again, in closing, we encourage you to enroll in the co-op's peak days program, which you can do on our website or by calling our member solutions department. And thanks everyone for helping us reduce peak demand, and thanks for joining us on the call tonight.