

**New Hampshire Electric Cooperative, Inc.  
Minutes of the Meeting of the  
Joint Corporate Services/Power Resources & Access  
Committees**

**Zoom Meeting  
December 13, 2022 10:00 a.m.**

**Present:** Corporate Services Committee members: Ed French (Chair), Sharon Davis, Brenda Boisvert, Leo Dwyer  
PR&A Committee members: Bill Darcy (Chair), Tom Mongeon, Harry Viens, Carolyn Kedersha  
Other Board members: Jeff Morrill, Madeline McElaney, Alana Albee  
NHEC employees: Alyssa Clemsen Roberts, Jim Bakas, Mike Jennings, Brian Callnan, Scott Davis, Rob Howland, Steve Kaminski, Jeremy Clark, Kristen Taylor, Jeanette Fecteau and Edee Murphy (Recording)  
Others Present: Paul Phillips-NHEC Counsel

**Meeting Called to Order**

Chair French called the meeting to order at 10:01 a.m.

**Agenda Review/Minutes Approval**

There were no changes to the agenda.

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

**VOTED:** That the Corporate Services Committee approves the November 18, 2022, meeting minutes as presented.

The vote was unanimous.

Mr. Mongeon had one minor correction to the draft October 6, 2022 PR&A minutes: Change the word on line 279 from “reports” to “reported.” Also, Ms. Clemsen Roberts’ name was misspelled throughout the document, which will be corrected.

Upon motion by Mr. Viens, seconded by Mr. Mongeon, it was

**VOTED:** That the PR&A Committee approves the October 6, 2022, meeting minutes as discussed and amended verbally.

The vote was unanimous.

**Balanced Scorecard and Success Sharing**

Ms. Clemsen Roberts reviewed details of the Balanced Scorecard and Success Sharing Plan.

Discussion:

- ❖ There was general discussion related to Average Speed to Answer (ASA) times. It was noted NHEC will be hiring an additional Member Solutions Representative. Mr. Bakas added that NHEC is at 96%

first call resolution. A board member inquired as to how long the remaining 4% took to resolve; that information was not immediately available but would be provided after the meeting.

- ❖ It was mentioned that NHEC is working to align its SAIDI/CAIDI/SAIFI reporting with standards of the Institute of Electrical and Electronics Engineers (IEEE) to measure reliability.
- ❖ It was noted that Miles of Line Constructed for broadband are anticipated to increase in the warmer months.
- ❖ It was confirmed that new hires must be hired by October 1 to be eligible for the Success Sharing Plan.
- ❖ In answer to a question, Ms. Clemsen Roberts commented that review/completion of company procedures mentioned in the internal audit are operational items that have to be done and therefore not listed as an incentive goal on the Balanced Scorecard. She pointed out there have been in-depth staff discussions on the topic.
- ❖ A board member suggested metrics in the future relative to process improvements and that building teams also helps with process improvements. It was noted that NHEC does have an active process improvement team.
- ❖ In answer to a previous comment that the NH Broadband LLC take rate goal may be low, a board member pointed out that a 30% take rate after six months is actually very aggressive.
- ❖ There was mentioned that perhaps in the future, Balanced Scorecard goals might involve more of the entire organization rather than a portion of the employees.

Upon motion by Ms. Boisvert, seconded by Ms. Davis, it was

**VOTED:** That the Corporate Services Committee recommends the Board of Directors approve the 2023 Balanced Scorecard and Success Sharing Plan as recommended in the proposal as presented.

The vote was unanimous.

### **Power Resources & Access 2023 Budget**

Mr. Clark reviewed the proposed PR&A Budget. The presentation included the following:

- Overview
- Assumptions
- Operating Budget
- Other Power Resources Expenses (Payroll, Benefits, Software, Consulting, Uncollectible Accounts, Legal, Credit, Memberships/Sponsorships/Subscriptions, Conferences and Miscellaneous). It was noted that Software Expense includes CGI Logica who performs the required daily load settlement reporting to ISO-NE.
- Budget Risks (Interest rates, increased allocation of Distribution employee time, legal expenses).
- Rate Changes

#### Discussion:

- ❖ Committee members thanked staff for putting together the PR&A budget information and in such a short timeframe.
- ❖ In answer to a question regarding payroll allocation, Mr. Clark confirmed that when individual staff charge their time they select whether it is Co-op Power or Regional Access.
- ❖ It was noted that Software Expense includes transactive energy as well as the CGI Logica load

settlement submission cost. Mr. Callnan offered to provide information to the board on additional items included in the Software Expense category after the meeting.

Upon motion by Mr. Viens, seconded by Ms. Kedersha, it was

**VOTED:** That the PR&A Committee recommends the Board of Directors approve the 2023 Power Resources & Access Operating Budget as recommended by staff in the 2023 Power Resources & Access Budget Package as presented.

The vote was unanimous.

Upon motion by Ms. Davis, seconded by Ms. Boisvert, it was

**VOTED:** That the Corporate Services Committee recommends the Board of Directors approve the 2023 Power Resources & Access Operating Budget as recommended by staff in the 2023 Power Resources & Access Budget Package as presented.

The vote was unanimous.

### **Co-op Power and Regional Access Rate Change**

Mr. Clark reviewed the Co-op Power and Regional Access Rates including the following:

- 2023 Rate Timeline of approved, proposed and scheduled rate adjustments.
- Unbundled components
- Co-op Power Cost (Forecast Load and Forecast Power Costs)
- Co-op Power Over/Under Recovery, including Over/Under Recovery Charge History
- Co-op Power Proposed Rates. Most members will see a decrease of approximately 19%.
- Co-op Power Charge History
- Regional Access Costs
- Regional Access Over/Under Recovery
- Regional Access Proposed Rates. Most members will see a decrease of 3%.
- Regional Access Charge History
- Residential Bill Impact. For 500 kWh consumption bill there will be an 11% decrease; for 1,000 kWh consumption bill there will be a 12% decrease.

#### Discussion:

- ❖ There was general discussion related to other utilities' rates.
- ❖ Ms. Albee commented she is interested in knowing the implications of the Regional Access proposed rates on the Time of Day Net Metering Pilot given the percentage change.

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

**VOTED:** That the Corporate Services Committee recommends the Board of Directors authorize staff to set the Co-op Power and Regional Access Charges on a bills-rendered basis effective February 1, 2023 as recommended in the February 1, 2023 Co-op Power and Regional Access Rate Change Proposal presented.

The vote was unanimous.

### **Co-op Power Renewable Options**

Mr. Callnan reviewed a Co-op Power Renewable Options presentation including the following:

- Recap of Environmental Policy Adopted on August 30, 2022:  
“NHEC will provide members with at least two new electricity purchase options as alternatives to NHEC Coop Power default service, 1) an 100% renewable energy option at the lowest practical cost, and 2) a renewable energy option that will encourage new renewable energy projects.”
- Two Renewable Options:
  - 100% Maine RECs.
  - Local Solar.
- Either renewable option would replace the current Renewable Choice product.

#### Discussion:

- ❖ There was general discussion related to federal government subsidies and NHEC incentives.
- ❖ In answer to a comment questioning the practicality of these programs, Ms. Clemens Roberts explained that staff recommends that this discussion aligns well with strategic planning to be held at a later date and is not recommending these options move forward today, as noted in the resolution. She added it was requested of staff to bring this to committee; hence, the presentation today.

Mr. Callnan then presented staff recommendation as follows:

- Address topic during strategic planning workshops and not approve the rate for February.
  - Low emissions power options ranked lower than member support for solar projects (August 2022)
  - Participation in “Renewable Choice” option low (<0.5%)
- Revisit rate for August 2023 Default Service and Regional Access Charge adjustment.
- Develop awareness campaign prior to launch (if applicable)

Mr. Darcy provided a verbal, high level history of how these Renewable Options were developed through committee and board meetings. He commented he believes the time for delay is over and the members deserve to have a Renewable Option other than Renewable Choice.

The resolution in the meeting packet read as follows:

That the Board authorizes staff to set a renewable rate effective February 1, 2023 consistent with materials presented at the joint Corporate Services and Power Resources and Access Committee meeting on December 13, 2022.

Mr. Darcy made a motion for an amended resolution, as a substitute for the resolution included in the meeting packet, as follows:

**That the board authorize staff to set a 100% Renewable Option power rate using utilizing Maine hydro RECs for residential members effective February 1, 2023.**

Discussion on the amended Motion:

- ❖ Mr. Mongeon commented he understands Mr. Darcy's point of view and he is very cognizant of how NHEC should be rolling out new initiatives that are supported by a strategic plan. He added that with everything else going on, and a new CEO, he is in support of staff's recommendation unless Mr. Darcy's proposed resolution can be implemented with minimal impact on staff.
- ❖ In response to comments made regarding the resolution in the meeting packet, and Mr. Darcy's proposed amended resolution, Ms. Clemens Roberts commented that the meeting packet resolution was provided because it is what staff believed was requested; staff does not recommend the committee move on the resolution because of staff limitations, etc. She added that she has requested that we pause strategic planning; we are down to two members of the senior management team at this point. She has requested the board allow staff time due to extenuating circumstances; this is slated to be discussed at the December board meeting.
- ❖ In answer to a question about take rates, Mr. Callnan answered there are approximately 200 members signed up for the current Renewable Choice option. Mr. Darcy commented the way we would offer these new options would make a significant difference in participation rates.
- ❖ Ms. Albee suggested staff consider implementing the shift from the current Renewable Choice program to the 100% Maine renewable RECs, as all other utilities offer purchasing options.
- ❖ Ms. McElaney stressed the importance of a thoughtful concerted effort for renewable options, as part of an overall strategic plan. She suggested that past research be used to provide data and dollar amounts.
- ❖ In answer to a question about how much staff time the "clunky" process of the current Renewable Choice takes versus the 100% Maine renewable RECs, Mr. Callnan agreed it would be about the same. It was noted that billing changes and rate codes would need to be added which would add staff time.
- ❖ Mr. Callnan clarified that he is not aware of other utilities in the state offering renewable options, however, there are competitive supplier options for renewable products.

There was no second on the amended motion.

Mr. Viens made a motion for the original resolution in the meeting packet. There was no second on the original motion. Therefore, neither motion carried.

PR&A Committee Chair Darcy motioned as follows:

**That the PR&A Committee recommends the Board of Directors agree to delay the subject of the implementation of a renewable power option as a default option until it has become a part of the strategic plan process.**

Mr. Mongeon amended Mr. Darcy's motion as follows:

**That the PR&A Committee recommends the Board of Directors approve staff's recommendation to address the renewable options topic during strategic planning workshops and not approve the rate for February. Revisit rate for August 2023 Default Service and Regional Access Charge adjustment. Develop awareness campaign prior to launch (if applicable).**

Discussion on the amended motion:

There was no second on the original motion or the amended motion. Mr. Darcy will report on a summary of this discussion at the December board meeting.

## PR&A Variance Discussion

Mr. Callnan reviewed a PowerPoint presentation including the following:

- New Process Enacted  
Objective: Minimize under/over recovery balances being absorbed by future ratepayers; and reduce current liability impact to the cooperative's balance sheet.  
Strategy: A 10% cost variance during a rate period would prompt a mid-term rate adjustment discussion with the senior management team and the full board.
- Results – Higher Cost Certainty: Could encourage purchasing rate period coverage amounts prior to setting the rate; similar to NH Investor-Owned Utility (IOU) practices; Reduces exposure to volatile energy market; forward market premiums incorporated into rates; fewer opportunities for rate reductions and rate increases during the rate period.
- Process  
Board of Directors: Highlight rate period variance projections exceeding 10% in monthly PR&A variance reports.  
PR&A Committee: Process to be reviewed annually when reviewing procurement coverage targets and authority levels consistent with Board Policy B-2 Attachment E requirements.

### Discussion:

- ❖ In answer to a question about what is expected of the board when a 10% variance outside of budgeted costs happens, Mr. Callnan responded that a 10% variance outside of budget would trigger a detailed discussion amongst NHEC staff; the board will be made aware of the variance, provided reasons for the variance and recommended adjustments, if any.
- ❖ Ms. Clemens Roberts added that NHEC will make decisions on how we procure power based on how the market is reacting. We will budget and project to what we believe the market is going to do to the best of our ability; if we are out of projections, appropriate staff will meet for discussion and come back to the board and explain in detail what we believe is happening.

Upon motion by Mr. Darcy, seconded by Mr. Dwyer, Chair French adjourned the meeting at 11:52 a.m.