

**BOARD OF SELECTMEN  
TOWN OF PEMBROKE, NH  
June 14, 2023 at 6:30 PM**

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Present: Selectman Karen Yeaton, Selectman Richard Bean, Selectman Peter Gagyi, Selectman Rick Frederickson

Staff: Town Administrator David Jodoin

Excused: Selectman Sandy Goulet

**I. Call to Order:**

Chairman Yeaton called the meeting to order at 5:32pm.

**II. Scheduled Meetings**

Energy Committee

Matt Miller, Energy Committee, reviewed the three main energy policies of Community Power Coalition of New Hampshire (CPCNH), data security, and privacy policy. Documents are public and on their website. These documents are not available from Standard Power for this meeting, but they have offered to meet with the Energy Committee and Matt can get them to the Selectman at a later date. This contrast in availability of policies and procedures is one of the reasons Matt recommends CPCNH.

Matt discussed the financial reserve policy. Financial reserve contributions will be relative to the number of accounts in each town. Selectman Gagyi asked if this will lead to fluctuating costs. Matt explained the fluctuation wouldn't show on a month-by-month basis. CPCNH is trying to meet their reserve goal over the next three years to minimize impact to account holders. The rate is expected to adjust every 6 months to calibrate with utilities that also change rates every 6 months. They are working to ensure the rate is always less than traditional utilities. Selectman Gagyi asked if Eversource has a financial reserve. Matt answered all utilities do and it is baked into the price. No one would trade with a company without one. Selectman Gagyi asked how CPCNH procured power for the first wave if they did not have reserves to prove to the market they could purchase the power. Matt stated CPCNH has credit and a co-signer. It was part of an agreement they made with outside companies to provide start up support. As CPCNH matures and gets to a steady state operation, they will be able to self-finance and reduce procurement costs.

Selectman Yeaton stated there is a lot of transparency with CPCNH. Can the Town expect to see that level of transparency in a broker. Matt stated there will be annual forecasts and monthly forecasts and that would be available from everyone. In a

broker model, there would be some reports that would be unavailable due to them being considered confidential business reports. There may be ways around that. They have not seen evidence that it would be as transparent as CPCNH. Selectman Frederickson asked if the monthly forecasting reporting would always go out 6-months. Matt explained the 6-month forecasting window may change. They will always be searching the market for the best rates.

Selectman Yeaton asked if there is a difference between CPCNH methodology and ideology of financial reserves vs. a broker. Matt answered they will be using best accounting practices. JJ Smith, Energy Committee, stated the current CEO was the head of the NH Electric Coop and would operate the same way.

Matt discussed the Risk Philosophy Policy of CPCNH. Selectman Gagy asked who the policy is talking about when it says, "*unlike a private-sector supplier...*". Matt answered it means any for-profit private sector supplier that will prioritize shareholders or value maximization. Selectman Gagy asked what "*other objectives established by the Board...*" would be referring to under the section of transacting objectives. Matt gave examples of objectives such as requirements for CPCNH to meet NH statutory requirements for renewable content. The Board has not established any new objectives but for example; there are talks about having a certain content of locally sourced content in the future. Selectman Gagy discussed concerns that larger communities may have the ability to advocate for better rates for themselves or objectives that suit their needs best. Matt explained that in the Joint Powers Agreement has addressed the issue by putting language that every community has equal representation. The votes do not scale to the size of the community.

Selectman Frederickson asked if a larger community put in a solar array and are now contributing into the grid, would they receive a better rate because they are contributing. JJ Smith explained they wouldn't get a better rate but they would be buying less power which is a savings. If they over produce, they could sell it but they could sell it to anyone not just CPCNH.

Selectman Gagy asked if people opt out of the program after a certain amount of time, would they get a refund for their reserve contributions. Matt answered they would not but should the town opt-out or let the agreement lapse, they would be entitled to the share of the reserve and then the Selectman would have to decide what to do with it.

Selectman Gagy asked why they would look to enter into transactions with entities that have a rating as low as BBB-. Matt explained that the highest rating is AAA+. Some energy companies have low ratings simply because the markets don't like them. For example, anyone who deals in coal. The company could be reputable and do great things, but they have coal generators and receive a junk rating. They will need to evaluate the lower rated companies prior to entering into agreements.

Matt discussed the Risk Management Committee and the Roles, Responsibility & Organization of CPCNH. Selectman Gagy asked how much the overhead effects the cost. Matt explained it is a fraction of a cent per kilowatt hour. He cannot remember the exact amount, but it is in one of the publicly available documents on the website.

Selectman Yeaton asked if the Board of Directors being made up of community members is a key distinction between CPCNH and a broker model. Matt answered yes because the coalition is pooled. The broker may pool a few communities, but it will not be a collection.

Selectman Gagy asked if the Board of Directors has Selectboard members on it. Matt answered yes. Some towns have Selectman as the community member representative and the meetings are all public so anyone can attend.

Matt reviewed the Retail Rates Policy, Policy Amendments Process, and the Default Rate Setting Process, rate structure types, and the Financial Reserve Policy and how it can be used.

Selectman Gagy asked what is meant by "*the end result is financially stable and able to develop projects for members...*". Who determines the projects. Matt answered it would be the individual towns. If there is a project that a community is interested in, there is a Projects Committee to discuss it with and get help from.

Selectman Gagy asked if they can get out of the contract at 3 years and 1 day. Matt clarified that the Town needs to give a 3-year notice so that power is not negotiated for or purchased on their behalf in a long-term contract. In the first 3-year contract, there is a provision that stated in the first 12-months, the Town is given the ability to cancel at the end of the 3 years. After that, it becomes a rolling 3-year window.

Selectman Yeaton clarified that regardless of if the Town goes with CPCNH or Broker model, there will be a contract. Matt answered yes and they would be similar structures.

The next time the Board and Energy Committee meet to review the contracts on Thursday, July 13<sup>th</sup> at 5:30pm.

### **III. Adjourn**

Selectman Frederickson made a motion to adjourn at 7:34 PM. Selectman Gagy seconded the motion, and it was approved unanimously.

  
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Karen Yeaton, Chairman

For more detailed information, the meetings are now taped and can be seen on [www.townhallstreams.com](http://www.townhallstreams.com) click on Pembroke NH and look for the day of the meeting under the month.