



STAFF REPORT

AGENDA ITEM #: 23-100
COUNCIL MTG OF: September 5, 2023
FROM: Michael A. Fowler, P.E, Director of Public Works
OFFERED BY: Michael A. Fowler, P.E, Director of Public Works
PREPARED BY: Michael A. Fowler, P.E, Director of Public Works
SUBJECT: Approval of Electric Aggregation Plan

PURPOSE: Formal Town Council approval of Derry Electric Aggregation Plan is requested to proceed further toward Town wide electricity aggregation.

TOWN ADMINISTRATOR COMMENTS: The Town Council is encouraged to adopt the plan as recommended by the Committee for submission to the Public Utilities Commission. Basically, once approved by the Commission, the program becomes the "default" electricity provider unless residents or businesses secure their power through a third party. Currently, the default provider is the electric utility in Derry, either Eversource or NH Electric Coop.

BACKGROUND: The Derry Electric Aggregation Committee was formed on June 20, 2023 for the purpose of developing a plan for a community wide electricity aggregation program administered by the Town of Derry. The program will provide residents an opportunity to access competitive electricity rates which may be less expensive than default rates offered by Eversource and three other utility companies that service Derry. Similar programs (also known as Community Power) have been rolled out in Keene and Lebanon, while several other communities are in the process of starting their plans.

Pursuant to enabling legislation RSA 53-E. There are specific tasks laid out in RSA 53-E:6 that a committee is required to complete such as public outreach and plan development prior to submission to the Town Council for approval. A resident survey process was conducted in June and July. Two public information meetings were held on July 20, 2023 and August 17, 2023 as well. The committee's consultant, Good Energy/Standard Power, has developed the plan with input from the public and the committee members.

If the plan is approved by Town Council, the next step would be to submit the plan to the New Hampshire Public Utilities Commission (NHPUC) for their approval. Once approved by NHPUC, pricing would be solicited in the October/November 2023 window. It is anticipated that residents will have several options for greener blends of electricity coupled with pricing for each option.

DISCUSSION: The Electric Aggregation Committee and the Net Zero Task Force have worked hard to advocate for this program. All residential property owners stand to benefit through the buying power of the aggregated supply. Residents may opt out of the program, for any reason.

As of August 1, 2023, Eversource default fixed cost electricity supply is 12.58 cents per kWh. New Hampshire Electric Cooperative default fixed cost electricity supply is 11.42 cents per kWh. Default electricity rates are established every six months and they can fluctuate based on market conditions. Rates were above 20 cents per kWh in the first half of 2023.

The goal of the Derry program would be to provide lower rates than default rates. For a typical home which uses 600kWh per month, each penny of kWh saved would result in \$6 per month of savings. The savings increase if the spread between the Derry rate and the default rate is higher and/or the customer has more monthly consumption.

FISCAL IMPACT: No direct cost to the Town government. However, once pricing for the Town wide aggregation is solicited, the electricity cost savings could be significant to individual property owners in Derry.

RECOMMENDATION: The Electric Aggregation Committee recommends that the Town Council officially endorse the Electric Aggregation Plan for submission to the New Hampshire Public Utilities Commission (NHPUC).

MOTION: See Attached Resolution #2023-064

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RESOLUTION

Number 2023-064

To Adopt the Derry Electric Aggregation Plan

WHEREAS, Section 5.1 of the Town Charter designates the Town Council as the governing and legislative body of the Town; and

WHEREAS, the Town Council under Resolution #2023-043 created an Electric Aggregation Committee pursuant to RSA 53-E:6; and

WHEREAS, the Committee has developed an Electric Aggregation Plan in accordance with state statutes, and received public comment during two public hearings; and

WHEREAS, the Plan, once approved by the Public Utilities Commission, will generate savings for utility customers in Derry; and

WHEREAS, Town Council adoption of the Plan is required;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the Town Council hereby adopts the Derry Electric Aggregation Plan, authorizes the submittal of the Plan to the Public Utilities Commission and thanks the Electric Aggregation Committee for their time and service to the community.

This Resolution shall take effect immediately upon its passage.

Adopted: September 5, 2023.

Attest:

X _____

Charles Foote, Council Chair

Date: _____

X _____

Cristina Guilford, Town Clerk

Date: _____

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