Energy Portfolio Risk Management, Retail Rates, and Financial Reserves Policies

For Communities, By Communities

COMMUNITY POWER COALITION OF NEW HAMPSHIRE

ADOPTED DATE: December 19, 2022

CONTENTS

ENERGY PORTFOLIO RISK MANAGEMENT POLICY 1

PHILOSOPHY, OBJECTIVES & SCOPE 1

RISK PHILOSOPHY 1

BUSINESS ACTIVITIES 2

TRANSACTING OBJECTIVES 2

SCOPE OF POLICY 3

POLICY ADMINISTRATION, REVIEW AND AMENDMENTS 3

APPROVAL AND AMENDMENT OF REGULATIONS 4

APPLICABILITY 4

RISK EXPOSURES 4

MARKET RISK 4

VOLUMETRIC RISK 4

OPT-OUT RISK (CUSTOMER ATTRITION RISK) 4

COUNTERPARTY CREDIT RISK 5

LIQUIDITY AND COLLATERAL RISK 5

REGULATORY AND LEGISLATIVE RISK 6

OPERATIONAL RISK 6

REPUTATION RISK 6

RISK STRATEGY & PARAMETERS 7

PORTFOLIO STRATEGY & COST ALLOCATION 7

PORTFOLIO DIVERSIFICATION 7

COUNTERPARTY DIVERSIFICATION & CREDIT EXPOSURE 7

DEFAULT RATE BENCHMARKING 8

REPORTING REQUIREMENTS 8

RISK METRICS 9

POSITION LIMITS (HEDGE RATIOS) 9

RISK CONTROL PRINCIPLES 11

CONTROL PRINCIPLES 11

TRANSACTION STRUCTURES AND AUTHORIZATION 11

SEGREGATION OF DUTIES 12

CONFLICTS OF INTEREST 12

ROLES, RESPONSIBILITIES & ORGANIZATION 12

CPCNH BOARD OF DIRECTORS 12

CHIEF EXECUTIVE OFFICER OR BOARD CHAIR 13

RISK MANAGEMENT COMMITTEE (RMC) 13

FRONT OFFICE 13

MIDDLE OFFICE 14

BACK OFFICE 14

AUTHORITIES, DELEGATIONS, LIMITS, AND PROHIBITIONS 15

POLICY COMPLIANCE 15

Compliance Exceptions 15
Reporting of Exceptions 15
Independent Performance Evaluations 15
Reserves 16
Internal Systems, Tools, and Staff Training 16

RETAIL RATES POLICY 17

Purpose 17
Requirements and Objectives 17
Electric Assistance Program Discounts 18
Policy Amendments 18
Default Rate Setting Process 18
Member Elections of Rate Products and Discretionary Reserve Adders 18
Emergency Default Rate Adjustment Authority 19
Rate Structure Types 19
Discount to Utility Tariff Rates 19
Fixed Price Cost of Service Based Rates 19
Time of Use (TOU) Rates 19
Net Metering Rates 19
Index Plus Adder Rates (Pass-Through) 20
Fixed & Index Blend and/or Variable Term Rates 20
Other Rate Structures 20
Rate Product Types and Approval Authorities 20
Default Service 20
Alternate Customer Rate Options (Opt-Up or Opt-Down) 21
Net Energy Metering Offer 21
Non-Residential Additional and Custom Offers (Opt-In) 22
Rate Product Content and Member Elections 22
Member Elections 22
Product Content 23

FINANCIAL RESERVES POLICY 24

Purpose 24
Objectives 24
Rights of Members to Reserve Contributions 25
Member Reserve & Cost Allocation Accounting 25
Member Accrual and Usage of Discretionary & Excess Reserves 25
Member Reserve Settlements Upon Withdrawal or Termination 26
Joint Reserve Target Levels Established 26
Joint Reserve Target Levels Maintained 26
Replenishment of Minimum Reserves 26
Reserves between Minimum and Maximum 26

JOINT RESERVE FORECASTING, REPORTING, AND EVALUATION **27**
REGULAR FORECASTING OF RESERVE LEVELS 27
PERIODIC REVIEW OF RESERVE TARGET LEVELS 27
ANNUAL CONSIDERATION OF FORECASTED RESERVE LEVELS AND TARGETS 27
CONDITIONS FOR USE OF JOINT RESERVES **27**
BOARD AND MEMBERSHIP AUTHORITY TO AMEND **28**
DEFINITIONS **29**

ENERGY PORTFOLIO RISK MANAGEMENT POLICY

Philosophy, Objectives & Scope

This Energy Portfolio Risk Management Policy (EPRM Policy) outlines the philosophies and objectives of the Community Power Coalition (CPCNH) Board of Directors (Board) in governing and making decisions necessary to provide the credit support, portfolio analytics, hedging, and daily operating activities required to implement and operate Community Power Aggregation (CPA) power supply services.

The Risk Management Committee (RMC) is responsible for ensuring the development and maintenance of CPCNH's Energy Portfolio Risk Management Regulations (EPRM Regulations) to expand on the roles, strategies, controls, and authorities authorized in this policy to form a comprehensive energy risk management program.

Risk Philosophy

As a Joint Powers Agency, CPCNH is in the business of procuring and generating energy for the benefit of its participating Member CPAs. The goal of this policy is to:

- Serve Member CPA needs subject to Board approved risk tolerance limits.
- Provide as much energy supply cost certainty for CPA customers as reasonably possible while maintaining a least cost portfolio.
- Develop and enhance the value of CPCNH and Member CPA assets to meet the financial and local policy goals of the participating Members.

CPCNH recognizes that novel technologies, market dynamics, and regulatory shifts are combining to create new levels and dimensions of risk, and opportunities, that must be integrated into CPCNH's portfolio risk management program.

CPCNH's objective is to develop the least cost, greatest value portfolio to meet load requirements of CPA customers, while maximizing revenues from sales of surplus energy from wholesale and local project resources, and creating new sources of revenue through the intelligent design and integration of price-responsive customer rates, market-enabling products, and local programs (e.g., portfolio optimization).

Unlike a private-sector supplier, CPCNH's primary business purpose is to serve its Members. CPCNH's goal is to be a cost hedger for its Member CPAs load and is therefore precluded by this policy from engaging in purely speculative activities typical to many organizations oriented toward profit maximization.

CPCNH also recognizes that there are additional risks beyond those related to normal power supply operations and hedging activities. CPCNH's goal is to limit, to the extent practicable, exposure to those risks This document serves as a vehicle to describe and define the limits for activities considered as appropriate for CPCNH in a normal course of business of serving loads and procuring power.

Business Activities

CPCNH's primary business is to procure or produce electricity supply to meet CPA customer load requirements. The resource supply portfolio may consist of fixed and variable priced supply contracts of varying lengths, physical assets (such as power plants and distributed energy resources), and agreements for other related supplies and services needed to ensure reliable delivery of electricity to CPA customers.

The objective of the EPRM Policy is to provide a framework for conducting procurement activities that maximize the probability of CPCNH meeting its goals. The policy documents the framework by which CPCNH will:

- Identify risks associated with the procurement of power supply.
- Identify those responsible for administering the various elements of the risk management policy from procurement operations to oversight activities.
- Set parameters and methodologies for managing risk associated with procuring and hedging the power supply portfolio including the specification of authorized products, terms, and transaction limits.
- Provide for the accrual of reserve funds for the purpose of satisfying all financial obligations and objectives associated with management of the portfolio.

The EPRM Policy applies to all power procurement and related business activities that may impact the risk profile of CPCNH and its Member CPAs.

Transacting Objectives

CPCNH's objectives when transacting on behalf of Member CPAs for the procurement of energy and energy related supplies and services are as follows:

1. Meet customer all-requirements electricity requirements, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard.
2. Provide competitive rates for the participating Member CPAs, and stability and choice for participating customers.
3. Obtain the best available price for power supply while complying with the requirements of this policy and other objectives established by the Board.
4. Develop local renewable, battery storage, and distributed energy projects and customer programs.
5. Manage CPCNH's assets to optimize value.
6. Act to limit exposure to extreme market system changes.
7. Follow effective wholesale counterparty credit management procedures.
8. Develop and maintain financial reserves.

9. Develop and maintain CPCNH's investment grade credit rating.

CPCNH's overall transacting objective is to meet the load requirements of Member CPA customers with an optimized portfolio.

Scope of Policy

This EPRM Policy prescribes the management organization, authority, and processes to monitor, measure and control the risks to which CPCNH is exposed in the normal course of business arising primarily from CPCNH's participation in the wholesale energy markets. CPCNH is exposed to three quantifiable risks:

1. Volumetric risk: load and resource variability.
2. Price risk: market-related cost variability.
3. Counterparty Credit and Collateral Call risk: potential default by a counterparty or requirement to post collateral

This policy applies to all energy and energy related transactions made by CPCNH, and the term "risk management" is herein understood to refer solely to risks related to participation in wholesale energy markets as herein defined.

Specific methodologies used to measure, monitor, and control these risks shall be established by the Risk Management Committee, in accordance with sound utility practices and included in the EPRM Regulations.

From the perspective of risk mitigation, CPCNH's primary objective is to cover load and optimize the value of assets. Taking risks unrelated to CPCNH's normal power supply business activities, is not permitted.

CPCNH is also exposed to regulatory, operational and reputation risks. These risk categories and exposures are managed pursuant to CPCNH's Enterprise Risk Management Policy (ERM Policy).

Policy Administration, Review and Amendments

Energy Portfolio Risk Management will be a regular reporting standing agenda item at meetings of the Risk Management Committee and Board.

The Board, in consultation with the Risk Management Committee, is responsible for adopting this policy and reviewing it as needed at least every two calendar years.

The Board must approve amendments to the EPRM Policy. Advance written notice of Board meetings at which changes to this Policy are proposed shall be sent to the principal executive officers of each Member by the CEO or Board Chair. Subsequently, any such amendment shall be sent to the principal executive officers of each Member by the CEO or Board Chair.

Approval and Amendment of Regulations

After the EPRM Regulations are initially approved by the Board, the regulations may be amended with approval of the CEO, in consultation with the RMC, provided that the CEO sends prompt written notice to the Board of any such amendments.

Applicability

This EPRM Policy is effective immediately upon its adoption by the Board. It applies to CPCNH's wholesale supply operations, long-term contracting for energy/capacity and services, acquisition of generation resources, credit risk management and other related ancillary activities undertaken by CPCNH.

CPCNH Officers, Directors, staff, and contractors engaged in portfolio risk management will adhere to and be governed by this EPRM Policy.

Risk Exposures

CPCNH must procure electric power supplies and operate in the wholesale energy market which exposes CPCNH, and ultimately the customers of participating Members, to various risks. The risks listed relate to CPCNH participation in wholesale and retail markets as a Load Serving Entity (LSE). These categories are defined and explained as follows.

Market Risk

Market risk is the uncertainty of CPCNH's financial performance due to variable commodity market prices (market price risk) and uncertain price relationships (basis risk). Variability in market prices creates uncertainty in CPCNH's procurement costs, which has a direct impact on customer rates.

Volumetric Risk

Volumetric risk reflects the potential adverse financial outcomes due to the uncertainty in the quantity of different power supply products required to meet the needs of CPCNH and its members. Customer load is subject to fluctuation due to customer opt-outs or departures, temperature deviation from normal, unforeseen changes in the growth of behind the meter generation by CPCNH customers, unanticipated energy efficiency gains, new or improved technologies, as well as local, state, and national economic conditions.

Opt-Out Risk (Customer Attrition Risk)

Opt-out or attrition risk occurs when customers opt-out of the program by choosing a different supplier. Opt-out risk may be realized by any condition or event that creates uncertainty within, or a diminution of, CPCNH's customer base. Opt-out risk is manifested in two separate ways:

1. First, the ability of customers to return to bundled service from NH utilities creates uncertainty in CPCNH's revenue stream, which is critical for funding EPRM goals

2. Second, customer opt-out risk can potentially challenge the ability of CPCNH to prudently plan for, and cost effectively implement, long-term resource commitments made on behalf of its member communities and the customers it serves

Counterparty Credit Risk

Performance and credit risk refers to the inability or unwillingness of a counterparty to perform according to its contractual obligations or to extend credit. Failure to perform may arise if an energy supplier fails to deliver energy as agreed. There are different general performance and credit risk scenarios:

- Counterparties and wholesale suppliers may fail to deliver energy or environmental attributes, requiring CPCNH to purchase replacement products elsewhere, possibly at a higher cost.
- Counterparties may fail to take delivery of energy or environmental attributes sold to them, necessitating a quick resale of the product elsewhere, possibly at a lower price.
- Counterparties and suppliers may refuse to extend credit to CPCNH, possibly resulting in higher collateral posting costs impacting CPCNH's cash and bank lines of credit.

During the normal course of business CPCNH is exposed to counterparty risk from energy suppliers. In this context, an important subcategory of credit risk is concentration risk. When a portfolio of positions and resources is concentrated in one or a very few counterparties, sources, or locations, it becomes more likely that major losses will be sustained in the event of non-performance by a counterparty or supplier or as a result of price fluctuations at one location.

Liquidity and Collateral Risk

During the normal course of business CPCNH is exposed to liquidity risk to fund operations, meet ISO-NE collateral requirements and potential collateral obligations from bilateral power purchases.

Liquidity Risk is the risk that CPCNH will be unable to meet its financial obligations. This can be caused by unexpected financial events and/or inaccurate pro forma calculations, rate analysis, and debt analysis. Some unexpected financial events impacting liquidity could include:

- Breach of CPCNH credit covenants or thresholds. Any breaches of existing and future credit covenants on CPCNH agreements could result in the withdrawal of CPCNH's line of credit or trigger the requirement to post collateral.
- Calls for collateral from the ISO-NE or CPCNH's counterparties based on terms of transacting agreements.

- CPCNH may be the subject of legal or other claims arising from the normal course of business. Payment of a claim by CPCNH could reduce CPCNH's liquidity if the cause of loss is not covered by CPCNH's insurance policies.

CPCNH will use industry best practices to manage potentially collateral posting and liquidity risk to the energy suppliers (i.e., requirement to post collateral per contractual terms).

Regulatory and Legislative Risk

CPCNH is subject to an evolving legal and regulatory landscape. Regulatory risk encompasses risks associated with shifting state and federal regulatory policies, rules, and regulations that could negatively impact CPCNH. Legislative risk is associated with actions by federal and state legislative bodies, such as any adverse changes or requirements that may infringe on CPCNH's autonomy, increase its costs, impact its customer base, or otherwise negatively impact CPCNH's ability to fulfill its mission.

Operational Risk

Operational risk is the uncertainty of CPCNH's financial performance due to weaknesses in the quality, scope, content, or execution of human resources, technical resources, and/or operating procedures within CPCNH. Operational risk includes the potential for:

- Organizational structure that is ineffective in addressing risk (i.e., the lack of sufficient authority to make and execute decisions, inadequate supervision, ineffective internal checks and balances, incomplete, inaccurate, and untimely forecasts or reporting, etc.).
- Absence, shortage or loss of key personnel or lack of cross functional training.
- Lack or failure of facilities, equipment, systems, and tools such as computers, software, communications links and data services.
- Exposure to litigation or sanctions resulting from violating laws and regulations, not meeting contractual obligations, failure to address legal issues and/or receive competent legal advice, not drafting and analyzing contracts effectively, etc.
- Errors or omissions in the conduct of business, including failure to execute transactions, violation of guidelines and directives, etc.
- Model risk that results in an inaccurate or incomplete representation of CPCNH's actual or forecast financial performance due to deficiencies in models and/or information systems used to capture all transactions.

Reputation Risk

Reputation risk is the potential that CPCNH's reputation is harmed, causing members or customers to opt-out of CPCNH service and migrate back to NH utilities. It includes the potential for energy market participants to view CPCNH as an

untrustworthy business partner, thus reducing the pool of potential counterparties and/or having counterparties apply a CPCNH-specific risk premium to pricing.

Risk Strategy & Parameters

An important aspect of implementing an overall energy risk management policy is the development of related strategies to mitigate all of the related risks associated with energy transacting activities. The key strategies of CPCNH are outlined below.

Portfolio Strategy & Cost Allocation

The portfolio management process involves (1) continuous monitoring and modeling of market developments, customer load commitments, rates, attrition, and any offsetting hedge positions, (2) entering into and out of transactions with counterparties to minimize the cost and risk of providing all-requirements electricity, and (3) scheduling load and resources into the ISO-NE wholesale market, and subsequently settling financial obligations with the market operator and counterparties after the conclusion of each trading day.

To minimize the administrative and transaction costs associated with portfolio management, CPCNH will manage one whole portfolio to meet the combined electricity requirements of its Member CPAs. Probabilistic "at-risk" metrics will be used to inform portfolio hedging decisions to manage risk in the context of NH and ISO-NE markets, within the limits set in this policy and the EPRM Regulations. Structures will be put in place to address the accounting of cost to serve by CPA, timing of launch, and customer class.

Portfolio Diversification

CPCNH will strive to develop and maintain a diversified portfolio of physical and financial energy contracts to manage wholesale market risk exposures in an optimal fashion by incorporating a variety of fuel types, contract and pricing terms, counterparties, geographic locations, and types of products and preferred sources (e.g., renewables and battery storage assets, local generators, customer-generators, demand response programs, etc.).

Counterparty Diversification & Credit Exposure

To the extent practical, CPCNH will strive to create a diversified portfolio with multiple counterparties to diversify counterparty exposure.

Pursuant to master enabling agreements approved by the Board, the RMC may authorize entering into transactions with counterparties that possess at least a BBB- (or equivalent investment grade rating) by a nationally recognized statistical rating organization (NRSRO), and with counterparties rated below BBB- pending collateral, parental guarantees, or mutual concessions in credit requirement negotiations.

Effective counterparty management and credit analysis is essential to mitigate counterparty risks from wholesale market transactions. The market value, credit exposure and potential collateral requirements will be monitored using Mark-to-

Market (MtM), Potential Future Exposure, and Collateral Call risk metrics. Methodologies for these metrics and objectives are set forth in the EPRM Regulations.

Default Rate Benchmarking

CPCNH's active portfolio management strategy involves taking certain risks relative to benchmark procurement practices from NH utilities. As of December 2022:

- Eversource, Unitil, and Liberty Utilities set default supply rates every six months after entering into all-requirements contracts with suppliers, with fixed prices that include a premium to cover the volumetric risk that suppliers are assuming by agreeing to serve customers.
- The New Hampshire Electric Cooperative actively manages its portfolio, and therefore retains and manages the associated risk of supplying customers itself.

CPCNH will monitor competitor procurement practices and modify its procurement strategy as warranted. Certain key risks for CPCNH in this context are that:

- Any net open positions that CPCNH has relative to the benchmark procurement practice of the utility in question represents an active risk position for CPCNH.
- CPCNH will also be exposed to volumetric risk from higher/lower loads than expected volumes and covariance with market prices.

Reporting Requirements

A vital element of this Policy is the regular identification, measurement, and communication of risk. To effectively communicate risk, all risk management activities must be monitored on a frequent basis using risk measurement methodologies that quantify the risks associated with CPCNH's procurement-related business activities and performance relative to goals.

CPCNH measures and updates its risks using a variety of tools that model programmatic financial projections, market exposure and risk metrics, as well as through short term budget updates.

CPCNH seeks to manage financial exposure to higher-volatility spot market wholesale electricity using hedges. Hedge execution and/or adjustments decisions are supported through timely and automated reporting that presents essential factors behind CPCNH success such as headroom and attrition potential.

The following items are measured, monitored, and reported on at least a weekly basis, or as warranted given daily monitoring of market conditions, with monthly delivery of a reporting packet to RMC:

1. **Open Position (MWh):** net open positions for all energy, capacity, and environmental products.
2. **Open Position ($):** the notional dollar and/or probabilistic-based risk exposure of open portfolio positions at current market prices.

3. **Expected Gross Margins:** expected GM based on current market prices
4. **Expected Cost of Supply:** marking to market is the process of determining the current value of contracted supply
5. **Expected Reserve Levels:** to ensure reserves meet the targeted thresholds as outlined in CPCNH's Financial Reserve Policy.

Risk measurement methodologies shall be re-evaluated on a periodic basis to ensure CPCNH adjusts its methods to reflect the evolving competitive landscape.

Risk Metrics

Portfolio management decisions are supported by risk metrics derived from simulations of future market conditions, loads, and other material risk drivers for the portfolio. The following probabilistic risk metrics are regularly calculated and reported:

1. **Gross Margin at Risk:** Potential adverse changes in net revenues for a given time period and confidence level.
2. **Rates at Risk:** Potential adverse changes to CPCNH's rate competitiveness, relative to the four default utility supply rates, for a given time period and confidence level.
3. **Reserve Levels at Risk:** Potential adverse change in reserves for a given time period and confidence level.
4. **Potential Future Exposure for counterparty credit risk**: Maximum Mark-to-market counterparty exposures for a given time period and confidence level.
5. **Potential Collateral Exposure:** Maximum of collateral that CPCNH may have to post for a given time period and time horizon with a given counterparty.

Stress tests will also be used to understand the potential variability in CPCNH's projected procurement costs, and resulting retail rate impacts and competitive positioning, associated with adverse scenarios of material risk drivers.

Position Limits (Hedge Ratios)

While relying on risk metrics to guide procurement decisions over time, CPCNH will purchase energy on a forward basis to hedge against the risk of open load positions within the minimum and maximum hedge ratios defined herein.

- Hedge ratios are fixed price purchases and supply resources divided by forecasted load (i.e., covered positions expressed as a percentage of load), as measured over time.
- Maintaining minimum and maximum hedge ratios is intended as a framework to manage market risk, by limiting CPCNH's net open exposure while allowing flexibility in procurement sufficient to maintain competitive rates.

- The objective in allowing such flexibility is to develop a procurement strategy focused on hedging against the risk of open load positions, so as to mitigate exposure to market price volatility and other pricing risk.

CPCNH's hedge ratios shall be a function of the rate setting method, as follows:

1. If rate setting is based upon a discount to utility tariff model, the following table of hedge ratios shall apply:

Months to Delivery		Discount to Utility (Auction Based Rates)	
		Minimum	Maximum
0+	3	60%	125%
3+	6	50%	110%
6+	9	0%	70%
9+	12	0%	70%
12+	24	0%	50%
24+ *	36	0%	50%

*Hedging shall not extend beyond 36 months from the date that CPCNH first begins providing electricity service to CPA customers, until one year from that date.

2. If rate setting is based upon a cost of service or fixed price model, the following table of hedge ratios shall apply:

Months to Delivery *		Cost of Service ("Fixed Price" Rates)	
		Minimum	Maximum
0+	3	80%	125%
3+	6	50%	110%
6+	9	40%	90%
9+	12	40%	90%
12+	18	30%	90%
18+	24	20%	90%
24+ *	36	20%	90%

* Hedging shall not extend beyond 36 months from the date that CPCNH first begins providing electricity service to CPA customers, until one year from that date.

Risk Control Principles

Control Principles

CPCNH will strive to conduct its energy risk management activities following best practices of the wholesale electric industry. A balance between costs and benefits will determine most effective controls, which are generally expected to meet the requirements of generally accepted auditing standards (GAAS), financial institutions and credit rating agencies. The processes to identify, monitor, control and track risk exposure will follow these principles:

1. Delegation of authority that is commensurate with responsibility and capability, and relevant training to ensure adequate knowledge to operate in and comply with rules associated with the markets in which they transact (e.g., ISO-NE).
2. Contract origination, commercial approval, legal review, invoice validation, and transaction auditing shall be performed by separate staff or contractor for any single transaction. No single staff member shall perform all these functions on any transaction.
3. Defining authorized products and transactions.
4. Defining proper trade capture process for executing power supply contracts.
5. Complete and precise capture of transaction data.
6. Meaningful summarization and accurate reporting of transactions and other activity at regular intervals.
7. Consultation with legal counsel on all legal issues related to this Policy.
8. Timely and accurate risk and performance measurement at regular intervals.
9. Compliance reviews to ensure that this Policy and the EPRM Regulations are adhered to, with specific guidelines for resolving instances of noncompliance.
10. Active participation by senior management in risk management processes.
11. CPCNH and service providers relied upon to provide for operations will be appropriately subject to regular audits.

The RMC is responsible for ensuring that the EPRM Regulations provide for the controls required to implement this Policy. The required controls shall include all customary and usual business practices designed to (1) prevent errors and improprieties, (2) ensure accurate and timely reporting of results of operations and other information pertinent to management, and (3) facilitate attainment of business objectives.

Transaction Structures and Authorization

CPCNH will transact in certain types of physical and financial products to mitigate various risks outlined in this policy. CPCNH shall have authorization to transact the following products under the limits set by this Policy and the EPRM Regulations:

- Physical power (e.g., Internal Bilateral Transactions (IBTs), physical tolls, etc.).
- Financial power or gas swap or futures (e.g., fixed-for-floating swaps, basis swaps, exchange-traded futures contract).
- Financial power or gas options.
- Financial Transmission Rights (FTR) obligations.
- Financial Transmission Rights (FTR) options.
- Environmental products to meet the Renewable Portfolio Standard (RPS).
- Products to hedge ISO-NE non-energy costs (Capacity, Ancillaries, etc.).

The RMC is responsible for ensuring that the EPRM Regulations authorize transaction types in accordance with this policy.

Segregation of Duties

CPCNH will ensure that integrated but separate responsibilities are in place to control risks with clearly defined roles and responsibilities for the Front Office, Middle Office, and Back Office. Those responsibilities will be delegated to third parties until CPCNH assumes some or all of those functions. CPCNH will maintain oversight functions of these defined roles and ensure they are performed in compliance with this policy.

Conflicts of Interest

CPCNH Directors, Officers, Alternates, Employees, Volunteers, consultants, and any other person acting for or on behalf of CPCNH — except for employees of Members who are not Directors or Alternates, acting in a ministerial (i.e., non-decisional) capacity as part of their public employment — are bound by the terms of CPCNH's Conflict of Interest Policy, unless otherwise noted in contractual agreements between CPCNH and said parties.

CPCNH employees engaged in energy supply resource transactions, counterparty credit evaluation or oversight of the foregoing, are barred from directly investing in or otherwise having a direct financial interest in any company with whom CPCNH has consummated energy or related purchases or sales within the last two years.

Roles, Responsibilities & Organization

This section defines the overall roles and responsibilities for implementation of this EPRM Policy. The coordinated efforts of personnel across several divisions are required to successfully implement CPCNH's risk management program. The basic roles and responsibilities of each organizational function are outlined below.

CPCNH Board of Directors

The Board has the ultimate oversight over CPCNH operations and is responsible for establishing an organizational-wide framework for risk management and ensuring

that risk management results are achieved as planned. The Board shall approve and establish organizational policies for risk management and delegate to the CEO the responsibility for implementing the EPRM Policy. With responsibility for the ultimate oversight over CPCNH operations, the Board shall be responsible to ensure that risk management results are achieved in accordance with this policy.

Chief Executive Officer or Board Chair

The CEO (or alternatively hereafter, in the absence of the CEO, the Board Chair) has specific and overall responsibilities for implementing the EPRM Policy and for communicating risk management issues to the Board. The CEO shall be responsible for delegating specific duties for carrying out the policy and ensuring compliance with it by all affected CPCNH employees or contractors. The Board acknowledges that the CEO may delegate certain functions to the RMC, where delegation is ratified by this policy.

Risk Management Committee (RMC)

The RMC is responsible for maintaining and overseeing compliance to this policy. The primary responsibility of the RMC is to ensure that the procurement activities carried out on behalf of CPCNH are executed within the guidelines of this Policy and are consistent with the Member's goals. RMC is responsible for:

- Evaluating and voting on all proposed hedging recommendations.
- Determining if changes in the hedging strategy, or changes to this policy, are warranted.
- Understanding the financial and risk models relied upon to support hedging decisions.
- Understanding and reviewing the risk reports used to monitor for compliance with this policy.
- Reviewing the effectiveness of all hedging and procurement activities.
- Reviewing any reported violations to this policy.

Front Office

CPCNH's Front Office role has the responsibility for managing CPCNH's market price risk associated with Member CPA load serving requirements. The Front Office is responsible for:

1. Analyzing fundamental factors affecting load and supply, and net position.
2. Analyzing CPCNH's net position's exposure to market price risk.
3. Communicating results to the RMC and proposing transactions within the limits of this policy to balance those positions.
4. Recommending additional transaction types for approval by RMC, pursuant to the EPRM Regulations.

5. Negotiating the price and structure of hedging transactions with counterparties.
6. Transacting with counterparties only after approval from the RMC or within delegated limits approved by the RMC, and subject to those transactions:
    - Being for an approved product and executed with a counterparty with an approved credit limit.
    - Being duly authorized, within risk limits, and not causing either aggregate or individual counterparty credit limits to be exceeded.
    - Utilizing contract terms intended to minimize the risk of loss if a counterparty fails to deliver, take delivery, or pay for transactions provided.
    - Being executed and documented following standardized procedures.
    - Complying with applicable laws, regulations, and court orders.

CPCNH's Front Office will maintain a list of authorized personnel approved to transact by the RMC. Any requested changes to the list of authorized personnel will be subject to RMC approval.

Middle Office

CPCNH Middle Office will provide independent oversight of the Front Office functions and adherence to this policy. The Middle Office is responsible for:

- Providing independent oversight of load, supply, hedge positions, and net position.
- Maintaining the list of approved products.
- Ensuring accurate market curves used in valuation and risk management.
- Overseeing and validating the risk management models including prices, price volatilities and price correlations used in price simulations.
- Ensuring accurate load forecasts and load simulations.
- Calculating Counterparty Credit Exposure.
- Preparing position and risk reports for and providing feedback to the RMC.

Back Office

CPCNH Back Office Functions will provide the administrative activities to support the execution of Front Office transactions. The Back Office will provide a wide range of supporting activities necessary to settle transactions with counterparties and support Middle Office risk control responsibilities consistent with this policy.

The Back Office has the responsibility for ensuring that transactions with counterparties meet all the terms intended by the Front Office. Primary responsibilities are:

- Confirmation of all transactions and reconciliation of differences with the counterparty.

- For exchange traded products through a clearing broker, the Back Office should balance daily with the broker statement.
- Reviewing transactions adherence to approved limits.
- Ensuring all trades have been entered into the system of record.
- Monitoring Counterparty Credit Exposure and report mark-to-market exposures relative to contractual contract requirements.

Authorities, Delegations, Limits, and Prohibitions

All executed transactions shall conform to the policies set forth herein. It shall be the responsibility of the RMC, with approval of the CEO, to establish appropriate individual transacting authority limits for the various personnel and contractors involved in the Front Office function in the EPRM Regulations.

All staff and contractors with designated responsibility for Middle Office or Back Office functions are strictly prohibited from executing any wholesale transactions. The Middle Office shall be responsible for informing counterparties of such approved authorizations, including transacting authority and restrictions, along with product types and/or term and dollar limits.

Policy Compliance

Compliance Exceptions

Compliance exceptions are actions which violate the authority limits or directives set forth herein or in the EPRM Regulations as developed and adopted pursuant hereto by the RMC.

Reporting of Exceptions

Exceptions to mandated policies, procedures and regulations shall be reported to the RMC within two business days after they are identified, and the Front Office shall prepare a full report for review and discussion at the next RMC meeting.

Independent Performance Evaluations

Compliance with this EPRM Policy, and with the specific requirements of the EPRM Regulations instituted pursuant to this policy, shall be subject to examination by CPCNH's independent auditors or by such other reviewers that CPCNH may appoint to evaluate the effectiveness of mandated controls. Pursuant to CPCNH's Joint Powers Agreement:

1. The RMC shall commission an independent agent to conduct and deliver to the Board and to the Members at the Annual Meeting an evaluation of the operational performance of CPCNH relative to the Enterprise Risk Management Policy (including this EPRM Policy) and as otherwise requested by the Board.

2. CPCNH shall budget an amount necessary for the evaluation as determined by the RMC, which shall cause to be hired a firm or individual that has no other direct or indirect business relationship with CPCNH.
3. The evaluation shall be conducted at least once every two years, starting within three years of the initial provision of electricity supply to a Member CPA.
4. No individual or firm may be hired to conduct more than two consecutive evaluations.

Reserves

Reserve levels shall be reviewed monthly by the Finance Committee.

Internal Systems, Tools, and Staff Training

CPCNH employees who are authorized to perform energy risk management functions on behalf of CPCNH shall be provided with the necessary systems and tools to support all risk management processes.

Commensurate to the level of portfolio risk management functions performed by CPCNH staff:

- Provision shall be made in the budget for the acquisition and maintenance of computer systems, software, communications equipment, data services and other analytical, measurement and reporting tools.
- Provision shall also be made in the budget for managers and staff to attend seminars and courses in risk management on a regular basis.

RETAIL RATES POLICY

Purpose

This Retail Rates Policy outlines the requirements, objectives, rate setting authorities, rate setting processes, Member rate product and Discretionary Reserve adder election procedures, and different types of rate structures, products, and content of the Community Power Coalition of New Hampshire (CPCNH).

Requirements and Objectives

Member Electric Aggregation Plans typically require the CPA to offer default rates to one or more customer groups that are lower than or competitive with utility default rates at the time of launch. CPCNH shall only launch new Member CPAs subject to meeting any such requirements.

Thereafter, CPCNH will strive to maintain default service rates that are lower than or competitive with utility default service rates on average and over time — acknowledging that utility rates may dip below CPCNH rates on occasion, for short periods of time, due to market volatility and other factors.

Rates will be set at a level such that revenues from CPA customers are projected to meet or exceed CPCNH's ongoing operating and capital costs, inclusive of financial reserve targets, and other requirements set by the Board.

- Rate setting will be performed in concert with hedge decision making, as different rate structures may impact the appropriate hedging approach, in accordance with the procedures and methodologies summarized in the Energy Portfolio Risk Management Regulations (EPRM Regulations).
- CPCNH shall strive to provide innovative rate structures and offers that maximize choice and create value for CPA customers and for the Members, while aligning to the extent beneficial, allowable, and practical within and across CPA service territories.
- Changes to CPCNH default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.
- Pursuant to RSA 53-E, CPCNH rate setting shall ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories when setting default service rates.
- Pursuant to Puc 2204.05, CPCNH shall provide for the proper advance notice of rates to new customers, and update customer rate information whenever it changes, but no less frequently than once per month, on the New Hampshire Department of Energy's Shopping Comparison website.

CPCNH shall comply with all other applicable statutory and rule requirements.

Electric Assistance Program Discounts

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. CPCNH will support income eligible customers who enroll in the Electric Assistance Program to receive their discount. Discounts are funded by all ratepayers as part of the System Benefits Charge, which is charged to all customers and collected by the distribution utilities. At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility. CPCNH will therefore elect utility consolidated billing to bill all customer accounts known to be enrolled in the Electric Assistance Program.

Policy Amendments

The Board must approve amendments to this Policy. Advance written notice of Board meetings at which changes to this Policy are proposed shall be sent to the principal executive officers of each Member by the CEO. Subsequently, prompt written notice of the effective date of such amendment shall be sent to the principal executive officers of each Member by the CEO.

Default Rate Setting Process

The CEO, in consultation with the Risk Management Committee and the Finance Committee — or in the absence of the CEO, the Risk Management Committee, in consultation with the Finance Committee — shall recommend default rates to the Board for approval with sufficient notice to be implemented commensurate with regulated default utility rate changes, or otherwise as deemed necessary to support the requirements and objectives of this Policy.

The Risk Management Committee and Finance Committee shall each convene at least one public meeting to provide for deliberation and public input regarding changes to default rates.

Advance written notice of Board meetings at which changes to default rates are proposed shall be sent to the principal executive officers of each Member by the CEO . Subsequently, prompt written notice of approved default rate changes shall be sent to the principal executive officers of each Member by the CEO.

Member Elections of Rate Products and Discretionary Reserve Adders

Pursuant to this policy, individual Members will be provided the opportunity to elect to offer different rate products on a default and opt-in basis and to elect to adjust their CPA's default and opt-in rates to include an adder for the accrual and use of Discretionary Reserves, as provided for under the Financial Reserves Policy.

Any such elections of rate products and/or Discretionary Reserve adders must be approved by both the CEO and the Member's governing body, or the Member's Representative or other individual authorized pursuant to a delegation of such

authority by the Member's governing body or approved Electric Aggregation Plan, in advance of or during the meeting at which changes to default rates are approved by the Board.

Emergency Default Rate Adjustment Authority

This Policy acknowledges that, while rate structures or levels may be expected to persist for an expressed and/or intended period of time, unexpected events may warrant an immediate indefinite or temporary rate adjustment. Sound portfolio risk management will in most cases prevent the necessity of such action. However, risk factors such as market price risk may lead to a situation for such action to mitigate cash reserve constraints.

The Board must approve emergency rate adjustments as necessary to maintain the financial integrity of CPCNH. Prompt written notice of emergency rate adjustments shall be sent to the principal executive officers of each Member by the CEO.

Rate Structure Types

CPCNH may offer CPA customers the following rate structures:

Discount to Utility Tariff Rates

A rate structure that is discounted relative to utility rates ensures customer savings. This rate structure mitigates attrition risk. It will be based upon an expressed percentage discount to the rates offered by a customer's incumbent utility.

Fixed Price Cost of Service Based Rates

A rate structure that is based upon a budget build-up of cost of service, and/or another method whereby CPCNH offers a defined fixed price rate, is different than a discount to a utility rate. While it may be lower than a utility rate at inception and/or intent, a fixed rate could move above the utility rate due to wholesale market price movements, non-energy cost changes and/or regulatory changes impacting prices.

Time of Use (TOU) Rates

Time of use rates are rates that employ different pricing based on periods of time during a given day (e.g., daytime, nighttime) and/or weekday (e.g., weekday, weekend). Time of use rates incent customers to consume electricity at times that are lower cost and/or more environmentally friendly.

Net Metering Rates

Net metering rates allow a customer to benefit from behind-the-meter generation and possibly electricity storage capabilities through periodic meter reads where, at the end of the billing period the customer is charged for their net positive load (consumption) or if they have net exports to the grid at the end of the billing period they are either: 1) credited for those net exports to the grid on a kWh basis, such that they can carry forward a negative kWh balance to offset future consumption, or 2) get paid a rate for the surplus kWh exported to the grid and zero out their net kWh

usage. This rate construct is typically indifferent to the time of behind-the-meter generation, production, or customer consumption, but may be provided with TOU rates.

Generation in excess of a customer's usage each month is accounted for as a reduction to the CPA's wholesale load obligations by the utility, net of any applicable line loss adjustments, as approved by the Public Utilities Commission.

Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from their utility, as specified under the terms of their applicable net energy metering (NEM) tariff.

Index Plus Adder Rates (Pass-Through)

Index rates take hourly (or, as contemplative of technology that may allow, subhourly) consumption and multiply a loss adjustment factor and an ISO-NE New Hampshire Zone power price, plus a CPCNH administrative adder, to arrive at an effective monthly cost based predominantly on market-based prices. Index rates should typically not be hedged, and the customer should bear all price risk under such arrangement, provided, however, that a collar or sleeve product that sets an upper and lower limit to such index prices for some period of time may be available for a price that covers the cost and risk of such a hedge. Demand flexibility options may be priced and included in the product.

Fixed & Index Blend and/or Variable Term Rates

Likely of particular interest to non-residential customers, a Fixed & Index blended rate would be a combination of a fixed price rate as expressed above and an index rate as expressed above. The offering could be fixed to 50/50 or some other risk sharing split of the fixed and index portion. CPCNH should only hedge the fixed portion. Non-residential customers may also be interested in such rate for varying term lengths, such as for 12- or 24-month periods, which may be subject to meeting certain contractual, creditworthiness, and/or collateral posting requirements. Demand flexibility options may be priced and included in the product.

Other Rate Structures

This policy precludes CPCNH from offering rate structures not expressly authorized herein, such as tiered rate structures (progressive or regressive), total dollar "all-you-can-consume" fixed cost offers, and rate structures that utilize a demand charge. Board approval is required to authorize additional rate structures.

Rate Product Types and Approval Authorities

CPCNH is authorized to provide or offer CPA customers the following rate products:

Default Service

Default Service shall be the default rates selected to offer CPA customers in each utility territory, priced relative to the prevailing utility default rate, and, if practical,

based upon the same or a comparable structure as the prevailing utility rate structure, as approved by the Board.

Member Default Service Election

The Member Default Service Election is an exception to the Default Service Offer that would extend a default rate to the residents and/or businesses of a Member CPA different than other communities or CPCNH customers at large. Community offers may be rates that are higher or lower than the Default Service Offer, to reflect a different product content (e.g., higher or lower renewable and/or carbon-free content).

CPCNH shall provide Members with a schedule by which to request Community Default Service Offer Elections, which are subject to Board approval in consultation with the Risk Management Committee.

Local Power Offer

The Local Power Offer acknowledges and integrates the rate impact of local generation projects (e.g., a local community solar project), community investment programs (e.g., investment in EV charging stations), or other programs or projects benefiting a targeted community.

Subject to the terms of a Project Contract, or Board approval in the absence of governing terms in a Project Contract, the Local Power offer may extend a default or custom rate to the residents and/or businesses of a Member CPA different than other communities and customers.

Alternate Customer Rate Options (Opt-Up or Opt-Down)

Customers may select an optional rate extended by CPCNH through expressed choice of an alternative rate offer instead of Default Service. The option is held by the customer and CPCNH shall not move customers to an alternative rate without customer consent.

Alternative Customer Rate Options will be subject to Board approval at the same time as Default Service rates. Alternative Customer Rate Options shall be offered under the same rate structure as Default Service and may additionally be offered as a time-of-use rate.

Net Energy Metering Offer

CPCNH will provide new rates and terms that compensate or credit participating customer-generators for the electricity supply component of their net metered surplus generation.

For group net metering, to the extent CPA default rates are lower than utility default rates, it may be most advantageous for the host customer-generator to remain a utility default service customer, while the other group members may enroll in CPA supply and continue to receive on-bill credits for their participation in the group.

Additionally, CPCNH will pursue additional development of NEM rates and programmatic enhancements that benefit and encourage customers to adopt distributed generation.

Net Metering terms, conditions, and rates for compensating and crediting different types of NEM customer generators will be set by the Board and fully disclosed to all prospective NEM customers through the program's enrollment notification process and thereafter.

Non-Residential Additional and Custom Offers (Opt-In)

CPCNH may offer non-residential customers Index Plus Adder (Pass-Through) Rates, Fixed & Index Blend Rates, and/or Variable Term Rates thereof. Demand flexibility options may be priced and included in the product, to encourage and incentivize customers to shape their electricity usage patterns, including for the objective of lowering peak charges.

Rate Product Content and Member Elections

CPCNH shall offer the following rate products and contents:

PRODUCT	CONTENT *	MEMBER ELECTIONS
Granite Basic	Minimum RPS Content (23.4%)	Default, opt-down/in, or N/A**
Granite Plus	33% Renewable or Carbon Free	Default, opt-up/in, or N/A**
Clean 50	50% Renewable or Carbon Free	Opt-up/in or N/A
Clean 100	100% Renewable or Carbon Free	Opt-up/in or N/A

* Specified percentages are minimums (floors).
** One of these two products must be offered as Default Service

Member Elections

Each Member shall be provided the opportunity to elect whether to offer "Granite Basic" or "Granite Plus" as a default product, by customer class or as otherwise determined by the Board and will be advised on the cost implications of such elections by the CEO. Absent any election, "Granite Basic" shall be the default product.

Each Member that elects "Granite Plus" as their default product may also elect to offer "Granite Basic" as an opt-down choice for customers seeking the most affordable rate product. Absent any election, "Granite Basic" shall be offered as an opt-down/in product.

Each Member shall be provided the opportunity to elect whether to offer "Clean 50" and/or "Clean 100" as opt-up/in products. Absent any election, "Clean 50" and "Clean 100" shall be offered as opt-up/in products.

Product Content

Carbon-free content is power that is reported as carbon-free on an Environmental Disclosure label pursuant to Puc rule 2205.11.

Renewable content that is in addition to the minimum requirements of the New Hampshire Renewable Portfolio Standard shall be provided by Renewable Energy Credits pursuant to RSA 362-F, with a preference for sourcing Renewable Energy Credits from in-state generation.

FINANCIAL RESERVES POLICY

Purpose

This Financial Reserves Policy establishes minimum, target, and maximum levels of cash reserves that will be jointly accrued, used, maintained, and monitored by CPCNH, on behalf of all Members ("Joint Reserves"), and provides for the collection of Joint Reserves in excess of the maximum target joint reserve level to be applied at the discretion of individual Members ("Excess Reserves"). Separately, the policy allows for the collection and use of additional reserves at the sole discretion of each individual Member ("Discretionary Reserves").

Joint Reserves, Excess Reserves, and Discretionary Reserves are collectively referred to herein as "reserves".

Objectives

Reserves are accrued and maintained by CPCNH on behalf of and for the benefit of Member CPAs. The establishment of Joint Reserves, pursuant to this policy, is intended to secure the following objectives:

1. **Protect against emergency default rate adjustments.** Reserves can help minimize the risk that rates, after being set for a given period, would need to be quickly adjusted upwards due to market volatility (power supply shocks), weather impacts on demands, economic downturns, emergencies (such as natural disasters), and regulatory changes.
2. **Strive to adjust rates gradually over time.** In a rising price environment, reserves may be used to spread out the impact of price increases on customers over multiple rate setting periods. For example, if market prices are expected to increase over the medium-term, deciding to collect additional reserves over the near-term (when prices are lower) would later allow more funds to be used to offset rate increases in later periods, thereby adjusting rates more gradually and predictably for customers over time.
3. **Ensure cash availability when net revenues are unavailable.** To bridge seasonal times of the year that normally see temporary low or negative net revenues, which would otherwise require CPCNH to have sufficient credit to maintain liquidity.
4. **Lower and avoid interest expenses.** To avoid interest expense to cover short-term cash shortfalls, first by accruing reserves sufficient to execute a credit facility for CPCNH, and subsequently by having sufficient reserves to use in place of credit or debt instruments. CPCNH intends to negotiate and directly execute a credit facility on behalf of Member CPAs within the first year of operations.
5. **Enable the development of local energy projects.** Project developers typically seek to contract with entities that are willing and able to commit to paying for electricity over a 10 year or longer period. The accrual of financial reserves

hereunder is intended to provide CPCNH with the financial stability required to be a creditworthy counterparty for the purposes of soliciting and entering into long-term contracts to develop local energy projects on behalf of participating Members.

6. **Achieve a credit rating and maintain good standing with rating agencies.** After accruing sufficient reserves, CPCNH can apply for a credit rating, which would allow power to be secured at lower costs, that is, without posting credit enhancements, for the benefit of all Member CPAs. CPCNH intends to achieve and maintain strong financial performance metrics sufficient to receive an investment-grade credit rating within three-to-five years after launch.
7. **Manage risks identified in the Energy Portfolio Risk Management Policy**, such as those associated with market prices, counterparty credit and performance, load volumes and net revenues, gross margin levels, liquidity and collateral requirements, regulatory and legislative policy changes, and gross margin levels.
8. **Establish clear expectations between the Board of Directors, staff, contractors, and suppliers of electricity to CPCNH.** A formal reserve policy creates a shared understanding of the proper level and use of reserves.

Rights of Members to Reserve Contributions

Member Reserve & Cost Allocation Accounting

Reserve contributions shall be tracked and accounted for on behalf of each Member CPA. For each Member, reserves accrued shall be adjusted to reflect the equitable allocation of costs between Members pursuant to Cost Sharing Agreements.

To the extent that provisions in this policy are inconsistent with the Cost Sharing Agreements entered into by Members, the Cost Sharing Agreements shall control.

Member Accrual and Usage of Discretionary & Excess Reserves

Individual Members that request to adjust their CPA's default and opt-in rates to include an adder for the accrual of Discretionary Reserves, pursuant to the Rates Policy, will accrue reserves that are separate from Joint Reserves. Such reserves shall be tracked, accounted for, and transferred to the individual Member or otherwise applied or held by CPCNH as directed by the individual Member's governing body.

Joint Reserves that accrue in excess of the Maximum Operating Reserve Level hereunder are Excess Reserves, which shall be allocated back to Members for use as Discretionary Reserves.

Members may use such Excess and Discretionary Reserves to invest in developing new local energy projects, or to fund programs benefiting their customers specifically, or for other uses as determined solely by each individual Member.

Member Reserve Settlements Upon Withdrawal or Termination

If a Member withdraws from CPCNH or is involuntarily terminated, the balance of any reserves accrued by the Member will be distributed or applied as directed by the Member's governing body, after satisfaction of the Member's contractual obligations with CPCNH and in accordance with any applicable law and regulation.

Joint Reserve Target Levels Established

Joint reserves will be used to honor financial commitments and will be used to cover the operations of CPCNH over a number of days in the event of emergencies or other significant unforeseen events, amongst other goals outlined in this policy.

For purposes of this policy, Joint Reserve levels are defined as a projected or estimated amount accrued at the conclusion of a forecasted period.

Three target levels of Joint Reserves are defined below, which shall be in addition to any financial covenants entered into by CPCNH, relative to the forecasted expense of operations as reflected in CPCNH's budget:

1. Minimum Operating Reserve: reserves sufficient to cover 60 days of operations.
2. Target Operating Reserve: reserves sufficient to cover 120 days of operations.
3. Maximum Operating Reserve: reserves sufficient to cover 180 days of operations.

Rates shall be set to accrue Joint Reserves sufficient to meet the target levels on a forecasted basis, as follows:

1. To reach the Minimum Operating Reserve level within 3 years.
2. To reach the Target Operating Reserve within 5 years.
3. The Maximum Reserve level would provide strong protections against any significant adverse events and represents a longer-term goal.

Joint Reserve Target Levels Maintained

Replenishment of Minimum Reserves

Once Minimum Reserves levels are initially achieved, should CPCNH drawdown reserves below the Minimum Operating Reserve level, CPCNH will implement plans to return reserves to their minimum targets within two (2) years on a rolling forecast basis. The CEO shall oversee the preparation and submittal of such plans in subsequent budget and rate discussions with the Board.

Reserves between Minimum and Maximum

To the extent that reserves are above the Minimum and below the Target Operating Reserve level, continued consideration should be given to the rate that reserves are accumulating toward the Target Operating Reserve.

To the extent that reserves are above the Target Operating Reserve and below the Maximum Operating Reserve level, no action by CPCNH would be required.

Joint Reserve Forecasting, Reporting, and Evaluation

Regular Forecasting of Reserve Levels

The conditions for use of reserves, being expressed as a percentage of the reserve level at the conclusion of a rolling 12-month forecast basis, require the reserve level to be regularly updated on a projected basis.

The reserve level forecast methodology shall be approved by Risk Management Committee, reviewed by the Finance Committee, and periodically assessed and updated as required to ensure appropriate reserve levels are maintained and funded.

The Risk Management Committee, supported by staff and contractors, shall ensure that the reserve level forecast is updated and reported to the Finance Committee and Board of Directors at each regular meeting.

The Treasurer shall report the reserve level in quarterly and annual financial reports.

Periodic Review of Reserve Target Levels

Reserve target levels shall be periodically reviewed for consistency with industry standards by the Risk Management Committee. If significant risk factors are eliminated or significant new risks emerge as a result of changes in the industry, legislation, or economic conditions, the basis of the reserve policy shall be reviewed, and the funding level shall be adjusted accordingly. Unless the Reserves are lower than 120% of the minimum levels, formal Reserve funding discussions with the Board may be deferred until the next budget process.

Annual Consideration of Forecasted Reserve Levels and Targets

An analysis of over or under forecasting of reserve levels during the fiscal year shall be made in conjunction with year-end financial results. These results will be reported to the Board of Directors as part of the year-end financial report presentation.

The Board shall review and consider the target reserve levels defined in this Policy, in the context of CPCNH's overall financial condition and taking under consideration changes to the industry and/or CPCNH's exposure to the risk factors defined in the Enterprise Risk Management Policy.

Conditions for Use of Joint Reserves

A temporary reduction in cash consistent with the expected peaks or dips in revenues and expenditures are normal cyclical occurrences to be expected over the course of any 12-month period, and do not constitute an expenditure of Joint Reserves.

The use of Joint Reserves is defined as an expenditure that is forecasted to result in a more than 10% reduction of the reserve level, relative to its then-prior forecasted level at the conclusion of the fiscal year, or $10 million, whichever is greater.

The use of Joint Reserves is subject to approval by the Board. However, the CEO has the authority to use reserves for operating liquidity in emergency situations in consultation with the Board Chair and either the Vice Chair or Treasurer, and such actions must be noticed to the Board in the next meeting.

Board and Membership Authority to Amend

The Board may, by resolution, modify or suspend any provision of this Policy for any duration at any time, except that the provisions under this section, '"Board and Membership Authority to Amend," and under "Rights of Members to Reserve Contributions" may only be modified or suspended by a written amendment unanimously approved by the votes cast at a meeting of the Membership at which a quorum is present.

The CEO or Board Chair shall send written notice of any proposed amendments to or suspension of the provisions under this section and under Rights of Members to Reserve Contributions to the Member Representatives and principal executive officers of each Member at least fourteen (14) days prior to such meeting at which it is to be acted upon. Subsequently, prompt written notice of the effective date of such amendment or suspension shall be sent to the Member Representatives and principal executive officers of each Member by the CEO or Board Chair.

Definitions

- “Board” means the Board of Directors of CPCNH.
- “CEO” means the Chief Executive Officer of CPCNH, or, in the absence of a CEO, the Board Chair (unless where otherwise provided for in the policies).
- “Cost Sharing Agreements” means the agreements entered into by CPCNH and individual Members pursuant to Article V, Section 3 of the CPCNH Joint Powers Agreement.
- “CPA” means Community Power Aggregation.
- “CPCNH” means the Community Power Coalition of New Hampshire.
- “EPRM Policy” means the Energy Portfolio Risk Management Policy.
- “EPRM Regulations” means the Energy Portfolio Risk Management Regulations.
- “ERM Policy” means the Enterprise Risk Management Policy.
- “GAAS” means generally accepted auditing standards.
- “ISO-NE” means ISO New England, Inc., the entity serving as the regional transmission operator and which oversees the operation of New England's bulk electric power generation and transmission system and administers the regional wholesale markets for electric energy and other electricity products, or its successors.
- Financial power or gas swap or futures. Includes fixed-for-floating swaps, basis swaps, exchange-traded futures contracts. Swaps and futures are financial settled instruments based on the difference between a fixed and floating reference price times a contracted volume. CPNCH could be the fixed side or float side of the settlement depending upon whether is buying or selling financial power.
- Financial power or gas option. The buyer of an option pays a premium to have the right, but not obligation, to exercise the option prior to expiry and receive a financial settlement.
- “Financial Transmission Rights (FTRs) obligations”: An FTR provides the FTR holder a revenue stream that equals the quantity of the FTR multiplied by the hourly price difference (day-ahead) between the source and sink locations specified in the FTR. An FTR can be used by CPCNH as a Load Serving entity to hedge congestion risk between a load zone and a supply location such as a generator or hub. The payoff of a FTR can be positive or negative,
- “Financial Transmission Rights (FTRs) options”: FTR option buyers pay a premium to have the right, but not the obligation to exercise the payoff of an FTR settlement.

- “Gross Margin at Risk” is a measure of the potential adverse changes in net revenues for a given time period and confidence level.
- “IBT” or “Internal Bilateral Transaction” is a contract tool that transfers the ISO load obligation between the buyer and the seller. Participants with load or generators often sign bilateral contracts with each other to obtain price certainty rather than risking the uncertain energy market price. A Buyer’s load obligation decreases and therefore pay less to the ISO while a Seller’s load obligation increase and pay more to the ISO.
- “Load Serving Entity (LSE)” means an entity that is registered with ISO-NE as a market participant and secures and sells electric energy and related services, which may include transmission service if not provided by the distribution utility, to serve the demand of end-use customers at the distribution level.
- “MTM” or Mark-to-Market is a measure of the current replacement value of physical or financial contracts based on prevailing market forward curves, rather than the book value.
- “NRSRO” means nationally recognized statistical rating organization.
- “Physical Power Purchases and Sales": see IBT.
- “Potential Future Exposure for counterparty credit risk” means the maximum MTM counterparty exposures for a given time period and confidence level.
- “Potential Collateral Exposure” means the maximum of collateral that CPCNH may have to post for a given period and time horizon with a given counterparty.
- “Rates at Risk” is a measure of the potential adverse changes to CPCNH’s rate competitiveness, relative to the four default utility supply rates, for a given time period and confidence level.
- “RMC” means the CPCNH Risk Management Committee.
- “Financial Reserve Uncertainty” is a measure of the potential adverse change in reserves for a given time period and confidence level.
- “Stress tests” refer to analysis of portfolio performance under stress scenarios of material risk drivers. Used to understand the potential variability in CPCNH’s projected procurement costs and resulting retail rate impacts and competitive positioning.

COMMUNITY POWER COALITION OF NEW HAMPSHIRE
For communities, by communities.

Board Policy
Data Security and Privacy

Policy Title	Data Security and Privacy
Policy Number	CPCNH-2022-04
Effective Date	Original: December 15, 2022

PURPOSE

To define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of confidential individual customer information.

POLICY

WHEREAS, the General Court adopted RSA 359-C (*the New Hampshire Right to Privacy Act*), RSA 91-A (*Access to Governmental Records and Meetings*), RSA 363:37-38 (*Privacy Policies for Individual Customer Data*), RSA 53-A:3 (*Agreements Between Government Units*, and RSA 53-E (*Aggregation of Electric Customers by Municipalities and Counties*), as amended from time to time;

WHEREAS, RSA 53-E:4 (*Regulation)* provides that Community Power Aggregators ("CPAs") may use Individual Customer Data ("ICD") for specific purposes, exempts ICD from public disclosure under RSA 91-A, requires CPAs to maintain the confidentiality of ICD in compliance with their obligations as service providers under RSA 363:37 (*Definitions*) and RSA 363:38 (*Duties and Responsibilities of Service Providers*), and provides CPAs with access to Electric Distribution Utility ("EDU") Electronic Data Interchange ("EDI") system;

WHEREAS, RSA 359-C:19, V (*Notice of Security Breach*) requires reporting of data security breaches, as defined in RSA 359-C:20 (*Definitions*);

WHEREAS, RSA 53-E:7 (*Aggregation Program*) required the Public Utilities Commission ("PUC") to adopt Administrative Rules governing "*access to customer data for planning and operation of aggregations*" and other matters;

WHEREAS, the PUC has recently adopted Administrative Rules for CPAs, including Puc 2204.03 (*Request for Names, Addresses, and Account Numbers of* Customers), Puc 2204.04 (*Notification of CPA Commencement of Service*), Puc 2204.05 (*Notification of CPA Service Rates and Customer Enrollment*), Puc 2204.06 (*Use of Electronic Data Interchange*), Puc 2205.13 (*Individual Customer Billing Information*), Puc 2205.05 (*New Utility Service Customers*) and Puc 2205.14 (*Enabling Meter Reading Authority and Access to Interval Meter Data*), and had previously adopted Administrative Rules for Competitive Electric Power Suppliers ("CEPS") and brokers, including Puc 2004.19 (*Protection of Confidential Customer Information*), and

WHEREAS, CPCNH is a Joint Powers Agency and governmental instrumentality authorized under RSA 53-A:3 (*Joint Exercise of Powers*) and RSA 53-E:3 (*Municipal and County Authorities*), pursuant to Article III of the Joint Powers Agreement of Community Power Coalition of New Hampshire, effective as of October 1, 2021, that expressly authorizes CPCNH through its CEO and Board to:

1. "*Comply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs*" (Section 2.3.11 of the CPCNH By-Laws);
2. "*Make and enter into contracts*" (Section 2.3.6 of the CPCNH By-Laws);
3. "M*ake and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH's affairs*" (Section 2.3.9 of the CPCNH By-Laws); and
4. "*Do all acts permitted… as well as any act necessary, consistent with New Hampshire law to fulfill the purposes*" (Section 2.3 of the CPCNH By-Laws) set forth under the Joint Powers Agreement, which include assisting "*member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing … Community Power Aggregations*" (Section 2.1 of the CPCNH By-Laws);

WHEREAS, CPCNH and third parties under contract with CPCNH, acting on behalf of CPAs in the capacity as a service provider to CPAs, will need to access and use ICD for operational needs including for the research, development, and implementation of CPAs, new rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs;

WHEREAS, third parties under contract to CPCNH that may require access to ICD on behalf of CPAs may include CEPS functioning as Load Serving Entities ("LSEs") for the supply of all requirements energy, or other third-parties under contract with CPCNH to provide LSE services, as well as portfolio management, Electronic Data Interchange (EDI), Customer Information System (CIS), billing, accounting, and related services, and other contractors and academic institutions under contract with CPCNH to support the research and development of potential new energy services to offer to CPA customers;

WHEREAS, specific types of ICD that CPCNH and third parties contracted through CPCNH are expected to receive and possess on behalf of CPAs include:

1. Name, address, account number, and other information about electric customers for purposes of sending required notification of CPA Commencement of Service and performing other tasks required prior to or shortly after the enrollment of customers in CPA service, consistent with Puc 2204.03, Puc 2204.04, and Puc 2204.05, or equivalent rule provisions as may be adopted by the PUC from time to time, and the requirements of RSA 53-E, as may be amended by the General Court from time to time;

2. Individual customer information used for operation of CPAs received after the enrollment of customers in CPA service, such as that in Puc 2205.13, most of which may be accessed through the Electric Distribution Utility (EDU) Electronic Data Interchange (EDI) system pursuant to Puc 2204.06, and received from EDUs to enable new customer notifications thereafter, pursuant to Puc 2205.05, and for directly reading certain customer meters or otherwise accessing customer meter data held by the EDU more directly, pursuant to Puc 2205.14 and subject to the PUC's approval in future; and
3. Other confidential customer information that may be received or collected directly by CPAs, CPCNH and/or third parties under contract with CPCNH, from sources other than the EDU due to customer participation in particular related programs or services, billing operations, other customer services, or that may be volunteered by customers and/or Members, which shall likewise only be used for statutorily authorized purposes as ICD or pursuant to the express consent of the customer and are also referred to as ICD herein.

WHEREAS, ongoing collection and use of ICD will be used for both:

1. General planning and operational needs for CPA retail power supply and related energy services requirements, such as load and supply forecasting, portfolio management, billing, revenue collection, and audit processes, and for research and development of potential new energy services to offer to customer participants; and
2. Programmatic and customer-specific services and offerings, such as responding to customer account queries, opt-in rates or demand side management for customers with flexible demand, distributed generation or storage, and interval meters; and other energy services that may be offered including programs for Low to Moderate Income (LMI) participants that are qualified in the Electric Assistance Program (EAP).

NOW THEREFORE, in consideration of the above, it is CPCNH's policy to define the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of Individual Customer Data, as follows:

1. In compliance with RSA 53-E:4 (*Regulation*) and RSA 53-E:7 (*Aggregation Program*); RSA 363:38 *(Duties and Responsibilities of Service Providers*) and RSA 363.37 (*Definitions*); and RSA 359-C:20 (*Privacy Policies for Individual Customer Data*) and RSA 359-C:19 (*Definitions*), as amended by the General Court from time to time:
    a. CPCNH and third parties contracted through CPCNH that will receive or access ICD on behalf of CPAs are required to:
        i. Comply with all Administrative Rules related to the access and use of ICD under Puc 2200 (*Municipal and County Aggregation Rules*),

as may be amended from time to time, and any other applicable PUC rules or orders;

b. Use ICD solely as authorized with the express consent of the customer or for legitimate primary purposes, specifically to comply with the provisions of RSA 53-E and RSA 368:38, such as for: providing or billing for electrical service; meeting system, grid, or operational needs; researching, developing, and implementing new CPA programs, rate structures and tariffs, demand response, customer assistance, energy management, or energy efficiency programs; and for research and development of potential new energy services to offer to customer participants (Primary Purposes);

i. Implement and maintain reasonable security procedures and practices appropriate to the nature of the ICD to ensure that only authorized individuals have access to ICD for Primary Purposes or as provided by the express consent of the customer;

ii. Protect ICD from unauthorized access, use, destruction, modification, or disclosure, and report any data security breach as required by RSA 359-C:20 and any other applicable laws, rules, regulations, or utility tariffs;

iii. Collect, store, use, and disclose only as much ICD as is necessary to accomplish the Primary Purposes or as provided by the express consent of the customer;

iv. Not use ICD for a secondary commercial purpose unrelated to the Primary Purposes without the express consent of the customer; and

v. Return or permanently delete all ICD after contract termination and deliver a certificate, signed by an authorized representative, stating that all ICD has been returned or permanently deleted and that all materials based on ICD has been destroyed, as appropriate, i.e., except for copies necessary for tax, billing, other required legal compliance or financial purposes, or as may be created residually due to system backups, provided that the confidentiality of data is maintained in accordance with applicable laws.

c. Further, if CPCNH contracts with one or more CEPS to provide LSE services to participating customers, or brokers to support operations in a capacity that would require access to ICD, then the CEPS and/or brokers shall additionally be required to comply with the requirements of Puc 2004.19 (*Protection of Confidential Customer Information)*, pursuant to Puc 2205.02 (*Application of Puc 2000 to CEPS When Providing Electricity Supply to CPA Customers*), as may be amended by the PUC from time to time.

2. The Chief Executive Officer (CEO) as provided under Article VIII of the CPCNH By-Laws, or in the absence of the CEO, the Chair of the Board of Directors, as provided under Section 5.1 of the CPCNH By-Laws, shall (i) ensure that contracts CPCNH enters into with third parties that will receive or access ICD on behalf of CPAs have (a) incorporated the above requirements, as appropriate, and as amended, and (b), additionally provide for independent security assessments, documentation, and reporting to safeguard these requirements, as deemed necessary or prudent, and (ii) will deliver a signed attestation, upon request, to this effect to the General Counsel and Secretary to be maintained with the records of the Corporation.
3. The Regulatory and Legislative Affairs Committee shall advise on and recommend changes to this policy to the Board of Directors as necessary to maintain compliance with applicable laws, rules, and regulations that supersede the considerations and requirements established herein.
4. Use of Legal Counsel. CPCNH's CEO or Board will seek the advice of legal counsel in matters relating to data security and privacy, including but not limited to the policies adopted hereunder, when appropriate, and specifically, counsel will be employed to review:
    a. Enacted Changes to RSA 359-C (*the New Hampshire Right to Privacy Act*), RSA 91-A (*Access to Governmental Records and Meetings*), RSA 363:37-38 (*Privacy Policies for Individual Customer Data*), RSA 53-A:3 (*Agreements Between Government Units*, and RSA 53-E (*Aggregation of Electric Customers by Municipalities and Counties*) or other related statutes that modify, alter, or negate the stated policies herein; and
    b. Amendments to contracts with any third parties that contract with CPCNH that may require access to ICD on behalf of CPCNH that modify, alter, or negate terms and conditions of said contracts related to data security and privacy.

COMMUNITY POWER COALITION OF NEW HAMPSHIRE

COST SHARING AGREEMENT

This Cost Sharing Agreement ("Agreement") is made and entered into this __ day of _____, ____, by and between the _____, a subdivision of the State of New Hampshire, ("the Member") and the Community Power Coalition of New Hampshire ("CPCNH" or "Corporation"), pursuant to the provisions of the CPCNH Joint Powers Agreement ("JPA") (collectively, the "Parties").

RECITALS

WHEREAS, _____ may choose to implement Community Power Aggregation ("CPA") service to provide all-requirements electricity for its residents and businesses pursuant to New Hampshire Revised Statutes Annotated ("RSA") 53-E, the Community Power Act, which found "*it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services*;"

WHEREAS, the Constitution of New Hampshire declares that "*Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it;*"

WHEREAS, CPCNH is a nonprofit all-requirements Joint Powers Agency and governmental instrumentality operating pursuant to the Joint Powers Agreement entered into by the _____ on the ___ day of _____, ____, for the purpose of jointly exercising the powers granted to municipal corporations pursuant to NH RSA 33-B, NH RSA 53-E, NH RSA 53-F, and NH RSA 374-D (including, by reference, NH RSA 33) in accordance with RSA 53-A, Agreements Between Governments;

WHEREAS, CPCNH is jointly controlled and governed by its Members, united as a single entity to operate for the mutual benefit of the Members collectively, to promote the common good, general welfare, economic vitality, and prosperity of local communities in New Hampshire, to use the powers and authority granted by the Members to gain economies of scale and scope to launch, operate, and evolve Community Power Aggregation ("CPA") programs, and to advance other energy and climate policies and actions on behalf of the Members; and

WHEREAS, CPCNH's Joint Powers Agreement requires this Cost Sharing Agreement be entered into by all Members to ensure that the costs, expenses, debts, and liabilities directly or indirectly incurred by CPCNH on each Member's behalf are recovered through said Member CPA's revenues, or from grants or other third-party sources;

NOW, THEREFORE, in consideration of mutual benefits, covenants, and considerations hereinafter set forth, CPCNH and the Member hereby agree as follows:

REFERENCE TABLE

ARTICLE I PURPOSE 1
ARTICLE II AMENDMENT 2
ARTICLE III MEMBERSHIP 2
ARTICLE IV ELECTION OF CPA MEMBER SERVICES & PROJECT CONTRACTS 3
ARTICLE V COST RECOVERY COMMITMENT; LIMITATION 3
ARTICLE VI COST REPORTING & RECORDS 3
ARTICLE VII CPCNH IMPLEMENTATION COSTS 4
ARTICLE VIII CLASSIFICATION OF COSTS 5
ARTICLE IX ALLOCATION OF COSTS 6
ARTICLE X GENERAL TERMS & CONDITIONS 8
ARTICLE XI TERM 9
EXHIBIT A: COST SHARING PRINCIPLES 11
EXHIBIT B: COSTS ALLOCATION REFERENCE TABLE 13
EXHIBIT C: CPA MEMBER SERVICES FOR ELECTION BY MEMBER 14
I: COMPLETE SERVICE BUNDLE 14
EXHIBIT D: TEMPLATE COST ALLOCATION REPORT 28
EXHIBIT E: TEMPLATE REPORT GLOSSARY 29
EXHIBIT F: PROJECT CONTRACTS EXECUTED BY MEMBER 30

ARTICLE I
PURPOSE

The purpose of this Cost Sharing Agreement is to ensure that (i) the expenses, debts, and liabilities ("costs") directly or indirectly incurred by CPCNH on behalf of the Member are allocated to them based upon cost causation principles, to the extent practical, and (ii) that such costs are recovered from their CPA program revenues, or revenues from grants or other third-party sources.

This Cost Sharing Agreement (i) affirms that the resolutions and articles of the Joint Powers Agreement, as applicable herein, represent a mutual and collectively beneficial approach to cost allocation, whether Members are active or withdrawn from CPCNH, (ii) obligates CPCNH to carry out cost tracking and allocation for recovery from Member CPA revenues in accordance with the methodologies and procedures herein, which are intended to ensure fairness across all Members.

Execution of this Cost Sharing Agreement is a requirement for all Members. Upon execution of this Agreement, Members may subsequently elect to take certain CPA Member Services, which are provided in Exhibit C; each Member Service requires separate execution by the Member to authorize and obligate CPCNH to provide services on behalf of the Member's CPA.

Electing the Complete Service Bundle of CPA Member Services thereunder authorizes and delegates authority to CPCNH to, pursuant to CPCNH's Energy Portfolio Risk Management, Rates, and Reserves policies: (i) take all actions necessary and proper to finance, launch, and operate the Member's CPA; (ii) set rates and provide all-requirements electricity to eligible retail customers taking service within the Member's service territory; and (iii) collect customer revenues to accrue financial reserves on behalf of the Member and recover the costs allocated to the Member's CPA pursuant to this Agreement.

ARTICLE II
AMENDMENT

CPCNH's Joint Powers Agreement requires that the Cost Sharing Agreements between the Corporation and each individual Member be uniform in all material respects, except with regard to the scope of Member services and Project Contracts that each Member selects to participate in and pay for.

This Agreement duly provides flexibility to update and evolve the scope of services offered to all Members, for individual Member election, by permitting CPCNH to update Exhibit C for all Members, and to incorporate any Project Contracts entered into by an individual Member in Exhibit F. Similarly, Exhibit B: Cost Allocation Reference Table, Exhibit D: Template Cost Allocation Report, Exhibit E: Template Report Glossary, and the list of current CPCNH Members presented under Article III, below, may all be updated by CPCNH. Excerpts from CPCNH's Joint Powers Agreement herein are also updated upon amendment to the Joint Powers Agreement. The Corporation shall promptly distribute any such updates to all Members in a uniform manner, except that Exhibit F of each Member's Cost Sharing Agreement shall only reflect the Project Contracts, if any, entered into by each Member. The Member agrees that all such updates provided by CPCNH to the Exhibits and Joint Powers Agreement language herein shall be incorporated into and do not constitute an amendment to this Agreement.

To ensure that all other aspects of this Agreement, including the cost allocation methodologies prescribed hereunder, are similarly capable of evolving over time, and in recognition that the changeable nature of energy markets, technologies, and cost-drivers may well warrant refinements to the cost allocation methodologies herein at some point in the future**, this Agreement may be amended by a written amendment unanimously approved by the votes cast at a meeting of the Membership at which a quorum is present, provided that CPCNH's Chief Executive Officer or Chair of the Board shall send written notice of any proposed amendments to the Member Representatives and principal executive officers of each Member at least thirty (30) days prior to such meeting at which it is to be acted upon.**

The Member recognizes that, absent this mechanism, it may become impractical to otherwise amend this Agreement as the number of Members grows over time, given the requirement that the Agreement be maintained as uniform in all material respects across the Membership, and that such an eventuality would be contrary to the interest of every Member.

ARTICLE III
MEMBERSHIP

CPCNH's current Membership, pursuant to CPCNH's Joint Powers Agreement, may individually execute this Agreement and thereby jointly rely on CPCNH to finance, launch, and operate their CPA programs. The Parties acknowledge that the actual sequencing of CPA implementation may vary from this table:

Members currently intending to implement CPA program service in 2023:

City of Lebanon	Town of Rye	Town of Exeter
Town of Hanover	Town of Walpole	Town of Peterborough
City of Nashua	Town of Plainfield	Town of Durham
Cheshire County	Town of Enfield	Town of Harrisville

Members in the process of authorizing CPA programs:

City of Dover	Town of Newmarket	City of Portsmouth
Town of Warner	Town of Canterbury	Town of Westmoreland
Town of Pembroke	Town of Wilmot	Town of Hudson
Town of Webster	Town of Shelburne	Town of Sugar Hill
Town of New London	Town of Hancock	Town of Brentwood

ARTICLE IV
ELECTION OF CPA MEMBER SERVICES & PROJECT CONTRACTS

The CPA Member Service Agreements currently authorized by the Board are provided in Exhibit C, inclusive of any additional terms of service thereof, for elective execution by the Member. Enrollment periods during which any Members may execute a given contract for CPA Member Services offered in Exhibit C may be for pre-defined periods or open-ended, and the Board may also close enrollment in any CPA Member Service contract that was previously open-ended. During the active enrollment period applicable to any given Member Service Agreement, all executed Agreements between CPCNH and each Member that has elected the same service must be uniform in all material respects.

All of the services required to undertake and provide CPA service are initially offered as a Complete Service Bundle. The Board may authorize additional CPA Member Services, including the disaggregated services comprising the Complete Service Bundle, for Members to elect and pay for on an a la carte, elective basis thereunder. The Member agrees that, from time to time, CPCNH may update Exhibit C to modify enrollment periods for specific CPA Member Services contracts, remove CPA Member Services contracts that are no longer offered and in use by any Member, and incorporate new CPA Member Services contracts offered to all Members.

Project Contracts that an individual Member has entered into, upon execution, shall be placed into Exhibit F of the Member's Cost Sharing Agreement and incorporated by reference hereunder.

Exhibit B provides a reference table summarizing how costs shall be allocated, for all Members' ease of reference, which shall be updated by CPCNH commensurate with the removal and/or addition of any CPA Member Services to Exhibit C, or as otherwise warranted at CPCNH's discretion.

ARTICLE V
COST RECOVERY COMMITMENT; LIMITATION

Article V, Section 3 of the JPA requires that the Cost Sharing Agreement entered into by each Member "*ensure that the costs, expenses, debts, and liabilities ("Costs") … directly or indirectly incurred by the Corporation on such Member's behalf are recovered through said Member's CPA revenues, or from revenues from grants or other third-party sources*."

The Member acknowledges and agrees that the costs directly or indirectly incurred by CPCNH on the Member's behalf shall be recovered through the Member's CPA revenues, or from revenues from grants or other third-party sources.

The debts, liabilities, and obligations of CPCNH shall not be debts, liabilities, and obligations of the Member unless and only to the extent agreed to under a Member Service contract entered into by the Member, pursuant to Exhibit C, or Project Contract separately entered into by the Member.

ARTICLE VI
COST REPORTING & RECORDS

This Cost Sharing Agreement puts in place a mandate for transparency regarding how costs are tracked, and allocations are computed. CPCNH will provide for the data collection, analysis, accounting, reconciliation of receipts and aging, and cost allocation between Member CPAs under the methodologies and processes set forth in this Cost Sharing Agreement. As provided for under Article IX hereunder, actual metered customer electricity consumption will be employed where consumption is the determinant of allocation, to the extent possible. However, the Member acknowledges that CPCNH's reasonable estimations of usage may need to be employed, initially and/or

even permanently, depending upon the availability of actual data by Member CPA, but estimations should be subject to periodic reconciliation with actual loads when reasonably practical.

CPCNH will deliver monthly reports to each Member CPA, after it closes its books, encompassing and presenting all costs and allocations by Member. Reports will be prepared at an appropriate level of line-item granularity and will be uniform in all material respects, except with regard to the scope of CPA Member Services and Project Contracts that each Member selects to participate in and pay for. Exhibit D shall present the current report template in use by CPCNH, accompanied by the glossary in Appendix E, which shall be kept current by CPCNH for the Member's reference. Reports will be delivered and distributed to all Members by CPCNH.

Pursuant to CPCNH JPA Article XIII, "*The books and records of the Corporation shall be open to inspection at all reasonable times to each Member and its representatives."* The Member may, at any time, request detail, clarification and/or revisions of monthly reports, which shall be distributed to all Members.

ARTICLE VII
CPCNH IMPLEMENTATION COSTS

The funding to implement CPCNH is derived from four sources. These sources will cover the initial cost of CPCNH during the Implementation Phase, which refers to the period from the incorporation of CPCNH, on October 1, 2021, through the Start-Up Date, which shall be deemed to be the first of the calendar month in which CPCNH begins receiving customer revenues for delivery of all-requirements electricity to serve the demand of the customers of Member CPAs:

1) Funds provided by Members, gifts, or grants received and recorded by CPCNH as cash contributions.

2) Credit extended by contract to, and received by, CPCNH from vendors or banks, whether extended with interest or deferred interest cost or charged on an alternate basis.

3) Interest-free cash advances, grants, or loans extended by contract to, and received by, CPCNH.

4) Deferred compensation by vendors and contractors under contract for future payment by CPCNH, contingent upon the delivery of all-requirements electricity to serve the demand of the customers of Member CPAs.

The Member acknowledges and affirms that the cost of implementing CPCNH should not be borne solely by the customers taking service from initial Member CPAs, as such costs are foundational to the benefit of all Members of CPCNH at any point. As such, the Agreement provides that:

1) Implementation Costs are defined as costs incurred or accrued by CPCNH during the Implementation Phase which are not directly allocatable to any one Member CPA, in that such costs would have been incurred or accrued by CPCNH irrespective of the participation of any one Member CPA, inclusive of interest or financing charges that continue to accrue on such costs subsequent to the Implementation Period, less funds received by CPCNH pursuant to (1) above.

2) Implementation Costs shall be equitably allocated, on an equal volumetric retail electricity usage basis, to the CPA of each Member that (i) executes this Cost Sharing Agreement and, (ii) supplies all-requirements electricity to retail customers through said Member's CPA program within the five (5) year period commencing on the Start-Up Date ("Implementation Cost Recovery Period").

3) CPCNH intends to pay off Implementation Costs during the initial three (3) years following the Start-Up Date. Consequently, over the course of the five (5) year Implementation Cost Recovery Period, each Member CPA will receive an allocation obligation, providing for the direct payment of Implementation Costs and/or reimbursements to the Member CPAs that have already paid for the Implementation Costs, such that, at the

conclusion of the five (5) year period, the sum of electricity used by retail customers taking service from each CPA over the course of the period divided into the Implementation Costs allocated to each CPA shall be equivalent on a dollar per megawatt-hour ($/MWh) basis.

4) CPCNH shall maintain an internal accounting of the amount of Implementation Costs, and the allocation obligations, payments, and reimbursements of such costs, which record shall be available for inspection by Members at any reasonable time.

ARTICLE VIII
CLASSIFICATION OF COSTS

The three primary categories of costs into which CPCNH must classify all costs, pursuant to Section 3 of Article V of the JPA, are described in further detail below. Refer to Exhibit A for excerpts from the JPA regarding cost sharing principles, which are incorporated herein.

1) **CPA Member Services Costs** are costs related to undertaking and providing CPA service on behalf of Members. Such costs will represent the bulk of the cost that CPCNH will incur, including for the provision of:

- **a)** **CPA Power Supply Costs:** costs incurred by CPCNH to secure and sell all-requirements electricity supply to serve the demand of the customers of each Member CPA, the definition and requirements of which are subject to changes in law and rules, and to engage in portfolio risk management, which includes:
  - **i)** The cost of electrical energy, capacity, reserves, ancillary services, transmission services (to the extent allocated to Member CPA service), transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply and meet the requirements of New Hampshire's Renewable Portfolio Standard, and financial products.
  - **ii)** The cost of financial products related to portfolio risk management, such as power or natural gas options, swaps, or futures contracts, Financial Transmission Rights (FTR) obligations and options, and products to hedge non-energy cost components of the power supply portfolio.
  - **iii)** Additional attributable costs authorized by individual Member CPAs for any other power supply related products and services, such as for securing or purchasing Renewable Energy Credits in excess of the requirements of New Hampshire's Renewable Portfolio Standard, or for resources that reduce the ISO-NE wholesale load obligations and/or reduce transmission cost allocations, if any, attributable to the Member CPAs, which may also generate credit for avoided transmission costs or avoided capacity costs attributable to customers and/or Member CPAs.
- **b)** **CPA Operational Costs:** costs related to undertaking and providing CPA service on behalf of Members that are not CPA Power Supply Costs, which include but are not limited to the following:
  - **i)** Staff, overhead, legal, banking, technical, regulatory, and financial services costs attributable to the provision of CPA service.
  - **ii)** Financing and credit charges incurred for the provision of all-requirements electricity supply, and for operating costs hereunder, excluding those associated with any Project.
  - **iii)** Compliance costs attributable to the provision of CPA service.
  - **iv)** Direct costs and/or costs incurred from third-party providers under contract with CPCNH to provide services, including:
    - **(1)** Marketing, advertising, community engagement, and customer noticing pertaining to CPA service.

(2) ISO-NE Load Serving Entity (LSE) services.

(3) Portfolio and risk management services.

(4) Utility data interchange, data management, and customer billing services.

(5) Call center and customer engagement services.

(6) Local program design, administration, and/or financing.

v) Attributable Implementation Costs of the Corporation.

2) **General and Administrative Costs:** costs incurred for the common objectives of all CPCNH Members that are not incurred specifically in connection with a particular Project, Project Contract, or Member Service. Typical costs in this category, which may be fully or partially defined as General and Administrative Costs, include:

a) Administrative offices.

b) CPCNH-wide financial management.

c) Business services.

d) Budget and planning.

e) Personnel management.

f) Central management information systems and operations.

g) General management of CPCNH, such as for strategic direction and Member affairs, Board functions, accounting, procurement, and legal services; operation and maintenance expense; depreciation and use allowances; and interest costs.

h) Attributable Implementation Costs of the Corporation.

3) **Direct Project Costs** are costs incurred for a particular Project pursuant to a Project Contract for a specific Member and/or CPA, or subset thereof, that are not allocated to General and Administrative Costs, to the extent appropriately assigned to specific projects pursuant to Section 4 of Article V of the JPA. These projects can take on many forms but carry a distinct attribute that they are defined by a specific Project Contract entered into by Members participating in particular projects. As such, Direct Project Costs are identified by contract for recovery from the Members that are signatories to the Project Contract.

ARTICLE IX
ALLOCATION OF COSTS

Costs directly or indirectly incurred by CPCNH relating to (1) the CPA Member Services elected by the Member pursuant to Exhibit C, (2) General and Administrative Costs of the Corporation, and (3) the Project Contracts entered into by the Member, if any, will be allocated to the Member in accordance with this Article IX. Refer to Exhibit B for a reference table summarizing these costs and allocation methodologies.

1) **CPA Member Services Costs.** Services required to undertake and provide CPA Member Services are allocated to Member CPAs pursuant to cost causation principles, to the extent reasonably practical, as described herein.

a) CPA Power Supply Costs. Each Member will be allocated all costs incurred by CPCNH attributed to the provision of all-requirements electricity supply to the retail customers of said Member's CPA, inclusive of the cost of financial products related to portfolio risk management, as follows:

i) For the net costs attributable to the provision of all-requirements electricity supply to retail customers for each Member CPA:

(1) Where retail customer usage on a temporal and/or geographically specific basis is the determinant of costs:

(a) Actual metered customer electricity usage will be employed to the extent reasonably practical for each Member and to the extent such usage is used for load settlement purposes with ISO-NE ("actual usage").

(b) Estimated or profiled electricity usage will be employed only to the extent that actual metered customer electricity usage is not reasonably available or is not used for load settlement purposes with ISO-NE for said Member.

(2) Where retail customer usage on a temporal and/or geographically specific basis is not the determinant of costs, Members will be allocated net costs on a pro rata volumetric usage basis.

ii) For costs incurred pertaining to financial products related to portfolio risk management, net costs may be allocated either to all Members on a pro rata volumetric usage basis or to each Member based upon either their actual electricity usage, if reasonably available, or alternatively, estimated, or profiled electricity usage.

iii) For costs incurred pertaining to any other power supply related products and services authorized by each Member CPA, net costs will be allocated to said Member CPAs based on a reasonable determination of the cost of providing that service.

b) CPA Operational Costs. Each Member will be allocated all costs incurred by CPCNH related to undertaking and providing CPA service on behalf of said Member that are not CPA Power Supply Costs, as follows:

i) For costs attributable to staff, overhead, legal, banking, technical, regulatory, and financial services, costs will be allocated to all Members on a pro rata volumetric usage basis.

ii) For costs incurred pertaining to compliance requirements:

(1) Costs reasonably attributable to each Member will be allocated to said Member.

(2) Costs that are not reasonably attributable to any one Member will be allocated to all Members on a pro rata volumetric usage basis.

iii) For financing and credit charges incurred for the provision of all-requirements electricity supply, and operating costs hereunder, costs may be allocated either to all Members on a pro rata volumetric usage basis or to each Member based upon their actual usage, if reasonably available, or alternatively, estimated, or profiled electricity usage.

iv) For costs incurred from third-party providers of services under contract with CPCNH:

(1) Services charged based on a metric or fee structure that can be reasonably applied to an individual Member basis will be allocated to each Member on that basis.

(2) Services charged based on a metric or fee structure that cannot be reasonably applied on an individual Member basis will be allocated to all Members on a pro rata volumetric usage basis.

2) General and Administrative Costs.

a) Each Member will be allocated General and Administrative Costs on a pro rata basis in accordance with the following formula: Member CPA's Annual Retail Electricity Load divided by all Member CPAs' Annual Retail Electricity Load.

i) "Annual Retail Electricity Load" means the annual amount of metered electricity delivered to retail consumers and supplied through the Member CPA during the most recent 12 whole months.

ii) If less than 12 whole months of load have been supplied through the Member CPA, the calculation of a Member's Annual Retail Electricity Load shall be as follows:

(1) Within a CPCNH Fiscal Year, the Member CPA's allocation of General and Administrative Costs shall initially be based on a reasonable forecast provided by CPCNH of the Member CPA's load for the duration of the Fiscal Year divided by all Member CPAs' forecast Annual Retail Electricity Load for that Fiscal Year.

(2) After the close of the CPCNH Fiscal Year, to the extent reasonably practical, such forecasts shall be reconciled to the Member CPA's actual load over the Fiscal Year divided by the total of actual loads for all Member CPAs for that Fiscal Year.

3) **Direct Project Costs.** Costs incurred for a particular Project pursuant to a Project Contract will be recovered pursuant to the Project Contract that governs Member cost responsibility for the Project. Nothing contained in a Project Contract shall obligate non-participating Members in any respect with the Project. If CPCNH incurs additional costs for a particular Project, then:

a) CPCNH shall provide notice to the Project Committee in question regarding the date upon which the Project Committee must vote upon the matter of how to fully allocate such additional costs amongst participating Members, which shall be considered a Project Matter for this purpose, and CPCNH shall allocate costs pursuant to an affirmative vote by the Project Committee thereof.

b) In the absence of an affirmative vote by the Project Committee thereof, CPCNH shall allocate such additional costs to each Member in proportion to their participation share allocation for the Project.

ARTICLE X
GENERAL TERMS & CONDITIONS

The Joint Powers Agreement carries with it several elements with which this Cost Sharing Agreement shall hold generally consistent but apply specifically to this Cost Sharing Agreement.

Limitations of Liability

As provided for in Article XII of the JPA, *"No debt, liability, or obligation of the Corporation shall be a debt, liability, or obligation of any Member unless otherwise specified and agreed to by individual Members under a Cost Sharing Agreement or Project Contract under this Agreement."*

Indemnification

This Cost Sharing Agreement is a continuation of the authority in the Joint Powers Agreement, and as such, its indemnification language applies (By-Laws, Article 13.1):

> *"Each Member (including its governing body), Member representative, Director, Officer, committee member, employee, assignee, or agent of CPCNH, (and the irrespective heirs, executors and administrators), shall be indemnified and held harmless by CPCNH against any and all claims, demands, losses, costs, penalties, expenses (including attorneys' fees), judgments, damages and liabilities reasonably incurred by, or imposed upon them in connection with any action, suit or proceeding to which they may be made a party or with which they shall be threatened, by reason of their being, or having been, a Member, Member representative, Director, Officer, committee member, employee, assignee, or agent of CPCNH (whether or not they continue to be a Member, Member representative, Director, Officer, committee member, employee, assignee, or agent of CPCNH at the time such action, suit or proceeding is brought or threatened), arising in whole or in part, directly or indirectly from conduct in which such Member, Member representative, Director, Officer, committee member, employee, assignee, or agent has engaged in good faith. However, no such indemnification shall apply in relation to any matter involving (i) a breach of their*

duty of loyalty to CPCNH; (ii) acts or omission which are not in good faith or which involved intentional misconduct or a knowing violation of law; or (iii) a transaction from which the Director, Officer, Member representative, committee member, employee, assignee, or agent derived an improper personal benefit. In the event of settlement of any such action, suitor proceeding brought or threatened, such indemnification shall be limited to matters covered by the settlement as to which CPCNH is advised by counsel that such Member, Member representative, Director, Officer, committee member, employee, assignee, or agent is not liable for misconduct as such. The foregoing right of indemnification shall be in addition to any rights to which any Member (including its governing body), Member representative, Director, Officer, committee member, employee, assignee, or agent may otherwise be entitled."

Further, CPCNH shall, "*Defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions.*" Articles of Agreement of the Corporation, Article 7.21.

Dispute Resolution

This Cost Sharing Agreement affirms the dispute resolution approach defined in Article XVIII, Section 2 of the JPA, and the Member hereby agrees to extend this provision in support of the Cost Sharing Agreement:

"The Members and the Corporation shall make reasonable efforts to settle all disputes arising out of, or in connection with, this Agreement. Before exercising any remedy provided by law, a Member or Members and the Corporation shall engage in nonbinding dispute resolution or in a manner agreed upon by the Member or Members and the Corporation. The Members agree that each Member may specifically enforce this provision, Article XVI, Section 2, Dispute Resolution. In the event that dispute resolution is not initiated or does not result in a resolution within 60 days after a written request for dispute resolution, any disputing Member or the Corporation may pursue any remedies provided by law."

Continuing Obligations: Participant Withdrawal and Obligations or Buyout Provisions

Continuing obligations shall be pursuant to the same terms for continuing obligations as provided for under Article IV, Section 6 of the JPA:

"Any withdrawn or terminated Member shall continue to be liable for its obligations under any Project Contract and Cost Sharing Agreement(s) for the remaining term of any such Project Contract or Cost Sharing Agreement. The Member's equity or deficit position while a participant in any Project Contract will continue to be reflected in the records and reports of the Corporation. The Corporation may withhold funds otherwise owing to the Member or may require the Member to deposit sufficient funds with the Corporation, as reasonably determined by the Board, to cover the Member's liability for the costs described herein. Any amount of the Member's funds held on deposit with the Corporation above that required to pay any liability or obligation shall be returned to the Member."

ARTICLE XI
TERM

This Agreement shall be deemed to have been in effect commencing upon the date the Member became a Member of CPCNH following execution of the CPCNH Joint Powers Agreement. This Agreement shall continue in full force and effect until terminated by the earlier of (1) dissolution and liquidation of the Corporation, and distribution of any net proceeds, as provided for in Article XI of the By-Laws or (2) the later of (a) withdrawal or involuntary termination of the Member from the Corporation, as provided for in Article 4 and 5 of the JPA, subject to any continuing obligations, as provided for in Article 6 of the JPA, or (b) as otherwise specified in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized:

MEMBER: _____

By: _____

Title: _____

Name: _____

Date: _____

ATTESTATION: _____
Clerk

COMMUNITY POWER COALITION OF NEW HAMPSHIRE

By: _____
Chair of the Board of Directors

Name: _____

Date: _____

ATTESTATION: _____
Secretary of the Board

APPROVED AS TO FORM: _____
General Counsel to the Board

EXHIBIT A: COST SHARING PRINCIPLES

1) **CPCNH's Joint Powers Agreement, Article V,** defines certain cost sharing principles, which are provided below for the Member's reference, and Sections 3-7 thereunder are expressly incorporated herein**:**

ARTICLE V
COST SHARING PRINCIPLES

SECTION 1. Fiscal Year. *The fiscal year shall be the calendar year, subject to the Board's discretion to amend the Fiscal Year. Before changing the Fiscal Year, the Board shall confer with the Treasurer and may confer with the auditor.*

SECTION 2. Budget. *The budget will be established pursuant to the terms reflected in the By-Laws.*

SECTION 3. Cost Sharing Agreements. *An agreement shall be entered into between the Corporation and each respective Member, uniform in all material respects, except with regard to the scope of Member services and Project Contracts that each Member selects to participate in and pay for, to ensure that the costs, expenses, debts, and liabilities ("Costs") directly or indirectly incurred by the Corporation on such Member's behalf are recovered through said Member's CPA revenues, or from revenues from grants or other third-party sources. Such Costs shall be classified as:*

(a) CPA Member Services Costs*: Costs incurred to provide the Complete Service Bundle, or such services that CPCNH offers, shall be recovered directly from Member(s) for the period they contract to receive such service(s). The Complete Service Bundle will include those services CPAs will require to undertake and provide Electric Aggregation Plans and Programs, such as: power supply procurement and management, data and billing, and customer service;*

(b) General and Administrative Costs*: Costs described in Article V, Section 4 are incurred for the common objectives of all Members of the Corporation, and are not incurred specifically in connection with a particular Project, Project Contract, or Member Service and shall be allocated to, and recovered from, each Member on a pro rata basis in accordance with the following formula: Member CPA's Annual Retail Electricity Load divided by all Member CPAs' Annual Retail Electricity Load; and*

(c) Direct Project Costs*: Costs incurred for a particular Project pursuant to a Project Contract shall be recovered directly from the Member(s) that participate in a particular Project or pursuant to the Project Contract that governs Member cost responsibility for the Project.*

SECTION 4. General and Administrative Costs. *General and Administrative Costs include those that have been incurred for the general operation and administration of the Corporation, and other expenses of a general character, including but not limited to Costs relating to: administrative offices that serve the Corporation; Corporation-wide financial management, business services, budget and planning, and personnel management; operations of the Corporation's central management information systems; general management of the Corporation, such as strategic direction and member affairs, Board functions, accounting, procurement, and legal services; operation and maintenance expense; depreciation and use allowances; and interest costs.*

General and Administrative Costs do not include Costs that relate solely to, or are incurred by, the Corporation for CPA Member Services or as a result of any specific Project or Project Contract. The intent of the Members is to ensure that all Costs incurred by the Corporation that are directly related to CPA Member Services will only be paid by the Members receiving such services or for any specific Project will be paid only by the Project Participants of that specific Project. As such, when an activity or cost generally

included within the General and Administrative Cost category benefits CPA Member Services, a specific Project or Project Contract, or is performed or budgeted for a specific Project or Project Contract, an appropriate adjustment shall be made to assure that the proper portion of the Cost of such activity is categorized and allocated as CPA Member Services costs to a Member receiving such service, or as a Direct Project Cost to the Project Participants, subject to Cost allocation under the applicable Project Contract. The Members intend that all Costs of the Corporation that are not directly assigned for recovery to CPA Member Services, a specific Project or Project Contract will be recovered as General and Administrative Costs.

SECTION 5. Member Advances, Contributions and Repayment. *Upon the request or approval of the Board, any Member may make payments, advances, or contributions to the Corporation for any and all purposes set forth herein, and may contribute personnel, equipment or property, in lieu of other contributions or advances, to assist in the accomplishment of one or more of such purposes. All such payments, advances or contributions, whether in cash or in kind, shall be made to, and may be disbursed or used by, the Corporation. Except as otherwise specified in contracts with Members by the Board, the approved advances will be treated as indebtedness of the Corporation and shall be payable and repaid as such.*

SECTION 6. Refunds. *No Member that withdraws or is terminated shall be entitled to a refund of any payments made in connection with General and Administrative Costs.*

SECTION 7. Funding of Initial Costs*. Any Members that have funded activities necessary to implement the Corporation may request that the Board consider reimbursing said Members for said costs over a reasonable time period and shall provide such documentation of costs paid as the Board may request.*

2) **CPCNH's Articles of Agreement,** under the Joint Powers Agreement, provide for the powers of the Corporation that are expressly incorporated herein, including, as follows:

7.13 *Incur debts, liabilities, and obligations, provided that all debts, liabilities and obligations shall be non-recourse to any and all of the Members unless expressly agreed to by such Members through a Member's Cost Sharing Agreement or Project Contract as those terms are defined in the JPA;*

7.14 *Issue revenue bonds and incur other forms of indebtedness including but not limited to loans from private lending sources, pursuant to NH RSA 33-B, RSA 53-E, RSA 53-F, and RSA 374-D, provided that any such bond or debt issuance is approved by participating Members' governing and legislative bodies as required by statute.*

EXHIBIT B: COSTS ALLOCATION REFERENCE TABLE

Classification	Cost Factor	Allocation Method
General & Administrative	All Costs	$/MWh forecasts and annual true-up to pro rata share of actual "Annual Retail Electricity Load" (JPA defined term)
Direct Project	Costs identified in Project Contracts	As specified in Project Contracts
	Unanticipated Costs	As directed by Project Committee vote; alternatively, Member Project Contract participation share %
CPA Member Services *Power Supply*	All Requirements Electricity	Member CPA actual cost
	Net Hedging	$/MWh (across all CPAs) or actual cost (for each CPA)
	Optional / Opt-Up Products	Member CPA actual cost
CPA Member Services *Operations*	Allocated Staff, Overhead & Misc. Svc	$/MWh
	Member CPA Compliance Costs	Member CPA actual cost
	General Compliance Costs	$/MWh
	Financing and Credit Support	$/MWh (across all CPAs) or actual cost (for each CPA)
	Portfolio & Risk Management Services	$/MWh
	ISO-NE Load Serving Entity (LSE) Services	$/MWh
	Marketing & Community Services	$/MWh
	Customer Notifications	$/Notice
	Data Management & Billing Services	$/Meter
	Call Center & Customer Services	$/Meter
	Local Program Design, Admin & Finance	$/MWh (across all CPAs) or actual cost (for each CPA)
CPA Member Services *Elective Services*	Additional services as authorized by the Board	

I: COMPLETE SERVICE BUNDLE

AS AUTHORIZED BY THE BOARD OF DIRECTORS ON DECEMBER 27, 2022

MEMBER ENROLLMENT PERIOD: OPEN

COMMUNITY POWER COALITION OF NEW HAMPSHIRE

CPA MEMBER SERVICES CONTRACT: COMPLETE SERVICE BUNDLE

This CPA Member Services Contract ("Contract") is made and entered into this __ day of _____, ____, ("Effective Date") by and between the _____, a subdivision of the State of New Hampshire, ("the Member") and the Community Power Coalition of New Hampshire ("CPCNH" or "Corporation"), pursuant to the provisions of the CPCNH Joint Powers Agreement ("JPA") (collectively, "Parties").

RECITALS

WHEREAS, _____ desires to implement Community Power Aggregation ("CPA") service to provide all-requirements electricity for its residents and businesses pursuant to New Hampshire Revised Statutes Annotated ("RSA") 53-E, the Community Power Act, which found "*it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services*";

WHEREAS, CPCNH is a nonprofit all-requirements Joint Powers Agency and governmental instrumentality operating pursuant to the Joint Powers Agreement entered into by the _____ on the ___ day of _____, ____, for the purpose of jointly exercising the powers granted to municipal corporations pursuant to NH RSA 33-B, NH RSA 53-E, NH RSA 53-F, and NH RSA 374-D (including, by reference, NH RSA 33) in accordance with RSA 53-A, Agreements Between Governments;

WHEREAS, CPCNH is jointly controlled and governed by its Members, united as a single entity to operate for the mutual benefit of the Members collectively, to promote the common good, general welfare, economic vitality, and prosperity of local communities in New Hampshire, to use the powers and authority granted by the Members to gain economies of scale and scope to launch, operate, and evolve CPA programs, and to advance other energy and climate policies and actions on behalf of the Members;

WHEREAS, the Cost Sharing Agreement between _____ and CPCNH permits _____ to enter into agreements for CPCNH to provide certain CPA Member Services, and ensures that the costs, expenses, debts, and liabilities directly or indirectly incurred by CPCNH on _____'s behalf are recovered through _____'s CPA program revenues, or from grants or other third-party sources;

WHEREAS, _____ adopted an Electric Aggregation Plan on the __ day of _____, ____, and desires CPCNH to finance, launch, and operate a CPA on its behalf;

WHEREAS, this Contract for the Complete Service Bundle shall be inclusive of all services, expertise, and financial support that _____ requires to "*undertake and provide Electric Aggregation Plans and Programs, such as: power supply procurement and management, data and billing, and customer service*" in accordance with to Section 3(a) of Article V of the JPA; and

WHEREAS, _____ hereby endorses and adopts CPCNH's Data Security and Privacy Policy, Energy Portfolio Risk Management Policy, Retail Rates Policy, and Financial Reserves Policy, as may be amended from time to time by CPCNH's Board of Directors, to provide for the security of individual customer information, procurement of all-requirements electricity supply, price risk management, prudent budgeting and rate setting, and the collection of financial reserves by CPCNH on _____'s behalf for the term of this Contract.

NOW, THEREFORE, in consideration of mutual benefits, covenants, and considerations hereinafter set forth, CPCNH and the Member hereby agree as follows:

ARTICLE I
Purpose

1. Definition. The Complete Service Bundle, pursuant to Section 3(a) of Article V of the Joint Powers Agreement ("JPA"), is inclusive of all services, expertise, and financial support that Member CPAs require to "*undertake and provide Electric Aggregation Plans and Programs, such as: power supply procurement and management, data and billing, and customer service*" (hereafter, the "Services").

2. Purpose. The Board of Director's ("Board") overarching purpose, in offering the Complete Service Bundle, shall be to achieve a greater financial benefit for every Member collectively than any one Member would be able to achieve individually, by creating and sustaining: (i) public oversight, transparency, and unbiased expert advice to decision-makers regarding operations and planning; (ii) administrative cost efficiencies and business model innovations; (iii) a sustainable balance, and equitable consideration, between short-term cost-savings and long-term fiscal stability; (iv) powerful representation at the New Hampshire legislature and Public Utilities Commission, including on matters regarding market-enabling reforms and infrastructure investments that impact the Membership's energy future; and (v) the acceleration and development of cost-effective local programs, advanced rate structures, new customer services, and local energy project developments that create new financial value and resiliency for participating Members, at the community-level, and for customers, in terms of their total energy costs, including by lowering transmission and generation capacity charges in addition to wholesale energy purchases.

3. Endorsement. By executing this Contract, the Member endorses this collective purpose for the Services.

ARTICLE II
Decision-Making Framework

1. Acknowledgement. The Member acknowledges that (i) efficient administration imposes limitations to individual Member choice, (ii) procurement and rate setting will present inherent trade-off decisions, (iii) collective decision-making must therefore be relied upon to satisfy and balance the divergence of the Members' prioritization of competing objectives over the short- to long-term, and (iv) achieving the above-stated purpose therefore requires a decision-making framework to define which decisions must be made collectively versus left up to each Member.

2. Establishment of Decision-Making Framework. The Member hereby endorses and adopts CPCNH's Data Security and Privacy Policy, Energy Portfolio Risk Management Policy, Retail Rates Policy, and Financial Reserves Policy ("Policies"), which, in conjunction with and pursuant to the Joint Powers Agreement, establishes an appropriate framework that balances the Member's individual versus collective decision-making considerations regarding CPCNH's provision of services under this Contract.

Appendix A summarizes how the framework is intended to function during initial implementation of the Member's CPA, specifically identifying which decisions will be made collectively, and where the Member may make or delegate certain key decisions, including regarding: (i) choice of whether to procure power initially on the Member's behalf, (ii) choice of rate products offered to the Member's customers, (iii) choice of collecting additional financial reserves for the Member's sole use, and (iv) choice of termination of this Contract, before and after enrollment of the Member's customers.

3. Amendment of Decision-Making Framework. The Member agrees that the Policies are integral to CPCNH's provisions of Services under this Contract, to provide for the security of individual customer information, procurement of all-requirements electricity supply, price risk management, prudent budgeting and rate setting, and the collection of financial reserves on behalf of participating Members. The Member acknowledges that the Board

or the Membership of CPCNH may amend the Policies from time to time, and that the Member, pursuant to the Joint Powers Agreement, may observe, inform, and/or participate directly on the Board and in committee decision-making processes relevant to the provision of the Services. The Member agrees that CPCNH shall update this Contract to reflect any amendments to CPCNH policies, which shall be incorporated herein and not constitute an amendment to this Contract.

Appendix B summarizes the Policies and amendment procedures and is provided for the Member's reference. Current Policies are available to the Member upon request and publicly available on CPCNH's website.

ARTICLE III
Limitation of Member Liability

The Member is not liable for the debts, liabilities, or obligations incurred by CPCNH to provide the Services under this Contract.

ARTICLE IV
Delegation of Authority & Commitment to Act

1. Delegation of Authority. The Member hereby expressly authorizes and delegates authority to CPCNH, with immediate effect, to act as an agent of the Member in all circumstances and capacities required to provide the Services as contemplated under this Contract.

2. **CPCNH Commitment to Act.** CPCNH shall take all actions required to provide for the timely delivery of the Services, including by: ensuring effective community engagement and customer noticing, completion of registration requirements with utilities, and compliance with statutory and rule requirements to the provision of CPA service; negotiating and executing contracts for credit support and all-requirements electricity to satisfy the Member's load obligations and manage price risk; setting rates to satisfy the Member's revenue requirements and obligations under this Contract; arranging for revenues received from utilities and CPA customers to be deposited into CPCNH's secured revenue account and pledged to CPCNH's financiers and supplier counterparties; providing for general administration and oversight of the Services; and accruing and tracking financial reserves on behalf of the Member.

2. Member Commitment to Act. The Member agrees to take and perform all acts required to effectuate the delegation of authority to CPCNH as contemplated herein, including by promptly making all necessary filings with any Governmental Authority or Electric Distribution Utility upon CPCNH's request. If requested by CPCNH, the Member shall assist CPCNH in obtaining information regarding the Member's customers from the Electric Distribution Utility. The Member agrees to provide to CPCNH all data, including reports, records, and other information, in the Member's possession, or cause to be provided data not in the Member's possession, which may reasonably facilitate the timely performance of the Services described hereunder.

ARTICLE V
Professional Ability & Service Contracts

CPCNH relies upon qualified service providers, consultants, and personnel to provide the Services jointly, at a beneficial economy of scale, across all Member CPAs. Services will be performed by qualified staff, contractors, consultants, Member Representatives and/or volunteers, as determined by the CPCNH Board of Directors or its designee, and carried out in a competent, professional, and satisfactory manner, in accordance with the standards prevalent in the industry and any applicable policies adopted by the Board.

The Member acknowledges and accepts that the extent of CPCNH's services under this Contract, as a start-up power agency, are predicated on (i) contracts CPCNH has executed with service providers hired through competitive solicitations, (ii) CPCNH's internal capacity, including staff capacity commencing with an anticipated hire of a

CEO in March 2023, and (iii) the timeline by which distribution utilities implement Puc 2200 rules, which have not been fully implemented as of December 2022.

CPCNH's current contacts with service providers and consultants are available through CPCNH's website and listed in Appendix C.

ARTICLE VI
Electric Aggregation Plan

1. Acknowledgement. The Member acknowledges that the terms and requirements of the Member's Electric Aggregation Plan may prevent CPCNH from being able to commence provision of some or all the Services.

2. Mutual Commitments. CPCNH commits to promptly review the Member's Electric Aggregation Plan to assess any impact on CPCNH's provision of Services, and to identify and recommend any amendments prudent or necessary thereof. Member commits to promptly consider adoption of any such amendments. During the term of this Contract, the Parties will coordinate on, and the Member may seek CPCNH's advice regarding, any amendments to their Electric Aggregation Plan and shall strive to align any amendments thereto with the common interest and intent of this Contract, the underlying Services, and consistent with applicable statutes or regulations or with CPCNH's provision of the Services.

ARTICLE VII
Term; Procurement and Termination Elections; Financial Reserves

1. Term. The term of this Contract shall commence on the Effective Date and expire upon the termination of the Services as set forth herein.

2. Termination Prior to Commencement of Procurement. The Member may elect to terminate this Contract with immediate effect by submitting written notice to CPCNH, provided that CPCNH has not authorized entering into transactions for power on behalf of the Member's CPA.

3. Election to Delay Initial Procurement.

The Member's Authorized Officer, if authorized hereunder, may elect to delay commencing procurement on behalf of the Member's CPA during the Risk Management Committee meeting convened to authorize the first transactions entered into by CPCNH on the Member's behalf, provided that such election is made prior to the vote authorizing such procurement.

The Committee shall call for any such elections by the Member to be made verbally, after review and discussion of current market conditions and corresponding rate forecasts, and prior to the Committee's vote on whether to authorize procurement. Verbal elections made at the meeting by the Authorized Officer shall be immediately considered effective by CPCNH and promptly followed by written confirmation from the Authorized Officer to CPCNH and the Member's Principal Representatives.

4. Notice of Termination before and after First-Year Operations.

CPCNH's Energy Portfolio Risk Management Policy provides that "*hedging shall not extend beyond 36 months from the date that CPCNH first begins providing electricity service to CPA customers, until one year from that date*." After the first year of operations, CPCNH may authorize entering into forward hedging transactions extending up to 36 months out, on a rolling basis, to serve the collective load of all Member CPAs taking Service.

At any time during the 12-month period after the initial launch of CPCNH's power supply service, commencing on the date when CPCNH first supplies electricity to the retail customers of any Member CPA, the Member may submit

written notice to terminate the Services on the first day of the month thirty-six (36) months following the date when CPCNH first supplied electricity to the retail customers of any Member CPA.

At any time after the 12-month period after the initial launch of CPCNH's power supply service, the Member may terminate this Contract by submitting written notice at least thirty-six (36) months in advance of the termination date.

5. Early Termination after Commencement of Service.

The Member may also, submit notice that it wishes to terminate this Contract at an earlier date than as provided for above. Upon receipt of such notice, CPCNH shall promptly assess and inform the Member of the minimum waiting period under which the Member would have no costs for withdrawal. Costs of withdrawal at an earlier date include, but are not limited to, losses from the resale of power contracted for by CPCNH to serve the Member CPA's load. The waiting period will be set to the minimum duration such that there would be no costs transferred to the remaining Members that have elected the Services.

Alternatively, the Member may elect to terminate this Contract during the waiting period, provided that the Member first deposits sufficient funds with CPCNH, as reasonably determined by CPCNH and approved by a vote of the Board of Directors, to cover the Member's liability for the costs described above. The Member may elect to use its allocated share of Joint Reserves or its Discretionary Reserves, collected on Member's behalf and held by CPCNH, for this purpose.

6. Return of Allocated Joint Reserves. After the effective date of the Member's termination of this Contract, any amount of the Member's allocated share of Joint Reserves above that which is required to pay any costs incurred by CPCNH through the date of termination on behalf of the Member shall be allocated back to the Member for use as Discretionary Reserves, pursuant to CPCNH's Financial Reserves Policy.

ARTICLE VIII
Authorized Officer for Member Service Decisions

1. Authorized Officer. The Member may designate an Authorized Officer to take specific actions, as defined in Section 2: Authorizations below, on behalf of the Member pursuant to this Agreement and the Policies. The Member's Authorized Officer, as specified in the Member's Electric Aggregation Plan, or otherwise delegated authority by the governing body hereunder, is:

Title	Name	Phone	Email

The Member's Principal Executive Officer may specify a new Authorized Officer by submitting written notice by electronic mail to CPCNH's Principal Representative, which shall be promptly acknowledged and effective thereof, and such updates to this Contract shall not be considered an amendment.

2. Authorizations. The Authorized Officer may act on behalf of the Member to instruct and authorize CPCNH only on the matters and to the extent explicitly authorized by the Member hereunder. The Member hereby delegates the following authorities to the Authorized Officer to act on the Member's behalf (specify "yes" or "no"):

a) Pursuant to Article VI, Section 3, the Authorized Officer may elect to delay commencing procurement: ___;

b) Pursuant the Retail Rates Policy, the Authorized Officer may specify default and optional products: ___; and

c) Pursuant the Retail Rates Policy, the Authorized Officer may set Discretionary Reserve adders: ___.

3. Disclaimer. CPCNH shall have no liability to the Member for actions taken in reliance on authorizations or instructions received by the Authorized Officer as contemplated hereunder or in compliance with the Policies. Until such time as the Member instructs CPCNH in writing that the individual above, if any, is no longer an "Authorized Officer" hereunder, CPCNH shall have no duty to inquire as to the authority of such Authorized Officer to provide the authorizations or instructions in connection with the Services.

4. Alternatives. If an Authorized Officer is not identified hereunder, or if CPCNH is at any time unsure as to the identity of the Authorized Officer hereunder, or regarding a decision on any matter for which the Member has not delegated authority to the Authorized Officer under Section 2: Authorization, CPCNH may request written instructions from the Member's Principal Executive Officer, or the Member's governing body, pursuant to any applicable Policy, as to the course of action to be adopted by CPCNH. CPCNH shall be entitled to conclusively rely upon such written instructions thereof.

ARTICLE IX
Principal Representatives

The Member's Principal Representatives, for purposes of communicating with CPCNH on any matter associated with the performance of the Services set forth hereunder, in addition to the Authorized Officer, shall be:

Title	Name	Phone	Email
Member Representative			
Alternate Representative			
Principal Executive Officer			
_____			

CPCNH's Principal Representative, for purposes of communicating with the Member on any matter associated with the performance of the Services set forth hereunder, shall be CPCNH's Chief Executive Officer, or in the absence thereof, the Chair of the Board of Directors.

Title	Name	Phone	Email
Chief Executive Officer			
Board Chair			

The Parties shall update the Principal Representatives identified in this section by submitting written notice by electronic mail to the other Party, which shall be promptly acknowledged, and such updates shall not be considered an amendment to this Agreement.

ARTICLE X
Amendments

Article IV of the Cost Sharing Contract requires that "*all executed [Member Services] Agreements between CPCNH and each Member that has elected the same service must be uniform in all material respects*"; any material amendments to this Contract are subject to approval and incorporation by all Members that have executed Member Services Contracts for this Complete Service Bundle. CPCNH may update Appendices, and this Contract to incorporate any amendments to the Policies hereafter, neither of which constitute an amendment to this Contract.

ARTICLE XI
Attestation of Signing Authority; Execution

The Member has taken and performed all acts necessary and has received all necessary authorizations and approvals required to enter into this Contract and to bind the Member to the terms herein. The Member has attached a resolution of its governing body authorizing the execution of this Contract by the authorized signatory below, and any other authorization documents thereof. The authorized signatory represents that (i) this is a true, complete, and accurate list of all such necessary authorizations, approvals, actions and filings, (ii) the Member has provided true, complete, and accurate copies of the authorization documents to CPCNH as of the Effective Date, and (iii) other than the authorization documents, there are no other authorizations, approvals, filings or other actions required for Member to enter into this Contract, perform its obligations hereunder, and delegate authority to CPCNH to perform the Services.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized:

MEMBER: _____

By: _____

Title:

Name:

Date:

ATTESTATION: _____
Clerk

COMMUNITY POWER COALITION OF NEW HAMPSHIRE

By: _____
Chair of the Board

Name:

Date:

ATTESTATION: _____
Secretary of the Board

APPROVED AS TO FORM: _____
General Counsel to the Board

Authorization Documents:

1. Resolution of the Member's governing body authorizing the signatory's execution of this Member Service Contract, inclusive of all individuals named and duly empowered hereunder.

2. The Member's Approved Electric Aggregation Plan.

Appendix A
Decision-Making Framework: Member CPA Implementation

This Appendix summarizes how the decision-making framework for the Complete Service Bundle is intended to function during initial implementation of the Member's CPA. It identifies which decisions will be made collectively, and where the Member may make or delegate certain key decisions, including regarding: (i) choice of whether to procure power initially on the Member's behalf, (ii) choice of rate products offered to the Member's customers, (iii) choice of collecting additional financial reserves for the Member's sole use, and (iv) choice of termination of this Contract, before and after enrollment of the Member's customers.

Activities and decision-making are presented with reference to applicable Policy, in approximate sequential order:

Pursuant to this Contract:

1. CPCNH will assist or provide for the Member's public engagement efforts to market the program in advance of customer enrollment, and work with the Member to finalize marketing materials. The Member will receive a program logo, a content-populated website hosted on a Dot Gov address as follows: [Member].CommunityPowerNH.gov, and template marketing materials including FAQs, flyers, two-pagers, and public presentation decks.
2. The Member's committees, staff, and other individuals involved in the Member's public engagement will be provided with a Public Engagement Campaign handbook, offered training in media and public engagement, and provided direct support to carry out an effective campaign in advance of launch, including for the purpose of carrying out the public meeting required after customer notifications are sent.
3. CPCNH will complete all required utility testing and registration requirements, meet other statutory and rule requirement obligations, implement customer service functions, such as Interactive Voice Recording and live-agent call center services, and design, print, mail, and process customer opt-in and opt-out notices sent on behalf of the Member.

Pursuant to the Energy Portfolio Risk Management Policy, or, as noted, pursuant to this Contract:

4. The decision of whether or not to procure power, by commencing the execution of hedges in advance of the target launch date for any new Member CPAs, is a collective decision made by the Risk Management Committee. The decision is informed by then-current market conditions and the forward-looking analysis and advice of CPCNH's service provider for procurement, price risk forecasting and analysis, and portfolio management.
5. Under this Contract, the Member (1) may terminate this Contract, at any time, before CPCNH has first authorized procurement on behalf of the Member, and (2) may choose to designate an Authorized Officer to elect to delay commencing procurement on behalf of the Member's CPA. The Authorized Officer's election must be made during the Risk Management Committee meeting convened to consider authorizing the first transactions entered into by CPCNH on behalf of the Member, after review and discussion of current market conditions, transaction offers, and corresponding rate forecasts, and prior to the Committee vote.
6. Depending upon market conditions and transaction offers, CPCNH may procure sufficient power on the same day, or the Risk Management Committee may decide to authorize transactions for multiple transaction types, terms, and volumes, on a rolling basis for a period of time, in order to seek price advantages. Regardless, CPCNH will procure and cover its open positions to comply with the Hedge Ratios defined in the Energy Portfolio Risk Management Policy. (Hedge ratios are covered positions expressed as a percentage of load, calculated as fixed price purchases and supply resources divided by forecasted load; maintaining CPCNH's minimum and maximum hedge ratios provides a framework to manage market risk, by limiting CPCNH's net open exposure while allowing flexibility in procurement to maintain competitive rates over time.)
7. After procurement has concluded, rates will be calculated and set at a level that ensures the revenues from Member CPA customers are projected to meet or exceed CPCNH's ongoing operating and capital costs, inclusive of financial reserve targets pursuant to the Financial Reserves Policy.

Pursuant to the Retail Rates Policy, or, as noted, pursuant to this Contract:

8. The Risk Management Committee and Finance Committee shall each convene at least one public meeting to provide for deliberation and public input regarding changes to default rates, prior to rate setting. The CEO (or in the absence of the CEO, the Risk Management Committee, in consultation with the Finance Committee), will then recommend rates to the Board for approval. Advance written notice of Board meetings at which default rates are proposed shall be sent by the CEO or Board Chair to the Member's Principal Executive Officer.

9. The Member may then, in advance of or during the meeting at which rates are approved by the Board, elect to offer different rate products to its customers on a default and opt-in basis, per the framework summarized below:

a) CPCNH shall offer the following rate products and contents to all Members:

PRODUCT	CONTENT *	MEMBER ELECTIONS
Granite Basic	Minimum RPS Content (23.4%)	Default, opt-down/in, or N/A**
Granite Plus	33% Renewable or Carbon Free	Default, opt-up/in, or N/A**
Clean 50	50% Renewable or Carbon Free	Opt-up/in or N/A
Clean 100	100% Renewable or Carbon Free	Opt-up/in or N/A

* Specified percentages are minimums (floors).
** One of these two products must be offered as Default Service.

b) The Member's governing body, or if designated hereunder, the Member's Representative or an alternative Authorized Officer acting on the Member's behalf, may elect:

i) Whether to offer "Granite Basic" or "Granite Plus" as a default product, by customer class or as otherwise determined by the Board and will be advised on the cost implications of such elections by CPCNH's CEO (or Board Chair). Absent any election, "Granite Basic" shall be set the Member's default product. If the Member elects "Granite Plus" as their default product, they may also elect to offer "Granite Basic" as an opt-down choice for customers seeking the most affordable rate product. Absent any election, "Granite Basic" shall be offered as an opt-down/in product.

ii) Whether to offer "Clean 50" and/or "Clean 100" as opt-up/in products. Absent any election, "Clean 50" and "Clean 100" shall be offered as opt-up/in products.

iii) Whether to increase their CPA's rates to include an adder for the accrual and use of Discretionary Reserves, which are financial reserves accrued and allocated for the Member's sole use pursuant to the Financial Reserves Policy.

c) The Member acknowledges that (i) CPCNH may be unable to offer the ability to collect Discretionary Reserves during the initial months of operations following the launch of CPCNH's first Member CPAs, due to system implementation timeline constraints, (ii) the Member's elections are subject to approval by CPCNH's CEO, or in the absence of the CEO, the Board Chair, in advance of or during the meeting at which changes to default rates are approved by the Board.

10. Thereafter, CPCNH's Board and Committees will undertake a variety of activities pursuant to Energy Portfolio Risk Management Policy, Retail Rates Policy, and Financial Reserves Policy designed to ensure continuously monitoring and effective management of CPCNH's power portfolio and rate setting process. The Member may observe, inform, and/or participate directly in these decision-making processes on Board and committees pursuant to the Joint Powers Agreement. The Member will also regularly be afforded the option to decide upon rates in the manner provided for above, in all subsequent rate setting periods, pursuant to the Retail Rates Policy.

11. The Member may elect to terminate this Contract subject to advance notice and satisfaction of obligations thereof, as provided for under this Contract.

Appendix B
CPA Launch Process: Member Elections & Collective Decision-Making

CPCNH's Data Security and Privacy Policy, Energy Portfolio Risk Management Policy, Retail Rates Policy, and Financial Reserves Policy are summarized below, along with amendment procedures, for reference.

Current Policies are available to the Member upon request and publicly available on CPCNH's website.

1. Data Security and Privacy Policy.

CPCNH's Data Security and Privacy Policy defines the specific goals, requirements, and controls necessary to safeguard the confidentiality, integrity, and availability of confidential individual customer information, in compliance with RSA 53-E:4 (Regulation) and RSA 53-E:7 (Aggregation Program); RSA 363:38 (Duties and Responsibilities of Service Providers) and RSA 363.37 (Definitions); and RSA 359-C:20 (Privacy Policies for Individual Customer Data) and RSA 359-C:19 (Definitions); inclusive of procedures that require counsel review of any enacted changes to RSA 359-C (the New Hampshire Right to Privacy Act), RSA 91-A (Access to Governmental Records and Meetings), RSA 363:37-38 (Privacy Policies for Individual Customer Data), RSA 53-A:3 (Agreements Between Government Units, and RSA 53-E (Aggregation of Electric Customers by Municipalities and Counties) or other related statutes that may necessitate, in future, modifying or altering, or otherwise risk negating, the policy.

Note that Members must necessarily comply with applicable statutory and rule requirements prior to accessing individual customer information held in confidence by CPCNH on their behalf.

The Board of Directors may amend the policy by resolution at any time.

2. Energy Portfolio Risk Management Policy.

CPCNH's Energy Portfolio Risk Management Policy outlines the philosophies and objectives of the CPCNH Board of Directors in governing and making decisions necessary to provide the credit support, portfolio analytics, hedging, and daily operating activities required to implement and operate Member CPA power supply services. The Board must approve amendments to the EPRM Policy.

Advance written notice of Board meetings at which changes to the policy are proposed shall be sent to the principal executive officers of each Member by the CEO or Board Chair. Subsequently, any such amendment shall be sent to the principal executive officers of each Member by the CEO or Board Chair.

Pursuant to the policy, CPCNH's Risk Management Committee is responsible for ensuring the development and maintenance of CPCNH's Energy Portfolio Risk Management Regulations (EPRM Regulations) to expand on the roles, strategies, controls, and authorities authorized in the policy to form a comprehensive energy risk management program. After the EPRM Regulations are initially approved by the Board, the regulations may be amended with approval of the CEO, in consultation with the RMC, provided that the CEO sends prompt written notice to the Board of any such amendments.

The Member may directly participate on CPCNH's Board of Directors and Risk Management Committee pursuant to the Joint Powers Agreement.

3. Financial Reserves Policy.

CPCNH's Financial Reserves Policy establishes minimum, target, and maximum levels of cash reserves that will be jointly accrued, used, maintained, and monitored by CPCNH, on behalf of all Members ("Joint Reserves"), and provides for the collection of Joint Reserves in excess of the maximum target joint reserve level to be applied at the discretion of individual Members ("Excess Reserves"). Separately, the policy allows for the collection and use of additional reserves at the sole discretion of each individual Member ("Discretionary Reserves").

The Board of Directors may, by resolution, modify or suspend any provision of the policy for any duration at any time, except that the provisions under the section governing amendments and the section "Rights of Members to Reserve Contributions" may only be modified or suspended by a written amendment unanimously approved by the votes cast at a meeting of the Membership at which a quorum is present. In the event such an amendment is proposed, CPCNH's CEO or Board Chair shall send written notice to the Member Representatives and principal executive officers of each Member at least fourteen (14) days prior to such meeting at which it is to be acted upon. Subsequently, prompt written notice of the effective date of such amendment or suspension shall be sent to the Member Representatives and principal executive officers of each Member by the CEO or Board Chair.

4. Retail Rates Policy.

CPCNH's Retail Rates Policy outlines the requirements, objectives, rate setting authorities, rate setting processes, Member rate product and Discretionary Reserve adder election procedures, and different types of rate structures, products, and product content offered to the Member hereunder.

The CEO, in consultation with the Risk Management Committee and the Finance Committee, or in the absence of the CEO, the Risk Management Committee, in consultation with the Finance Committee, shall recommend default rates to the Board for approval with sufficient notice to be implemented commensurate with regulated default utility rate changes, or otherwise as deemed necessary to support the requirements and objectives of the policy. The Risk Management Committee and Finance Committee shall each convene at least one public meeting to provide for deliberation and public input regarding changes to default rates. The Member acknowledges that CPCNH's Board is required to approve, when necessary to maintain the financial integrity of CPCNH, emergency rate adjustments. Prompt written notice of emergency rate adjustments shall be sent to the principal executive officers of each Member by the CEO, or in the absence of the CEO, the Board Chair.

The Member may directly participate on CPCNH's Board of Directors, Finance Committee, and Risk Management Committee pursuant to the Joint Powers Agreement.

The Board of Directors must approve amendments to the Retail Rates Policy. Advance written notice of Board meetings at which changes to the policy are proposed shall be sent to the principal executive officers of each Member by the CEO. Subsequently, prompt written notice of the effective date of such amendment shall be sent to the principal executive officers of each Member by the CEO

Appendix C

CPCNH Service Contracts

CPCNH's current contracts with all service providers and consultants are accessible online, under "Key Documents" at:

https://www.cpcnh.org/about

EXHIBIT D: TEMPLATE COST ALLOCATION REPORT

[Insert upon commencement of CPA service]

EXHIBIT E: TEMPLATE REPORT GLOSSARY

[Insert upon commencement of CPA service]

EXHIBIT F: PROJECT CONTRACTS EXECUTED BY MEMBER