

Residential Ratepayers' Advisory Board  
Minutes of the April 22, 2024 Meeting

<b><i>Present for the Board</i></b>	<b><i>Present for the OCA</i></b>
Thomas Moses, Chair	Donald Kreis, Consumer Advocate
Dana Nute, Vice Chair	Lesley LaPerle, Legal Assistant
Ryan Clouthier	Michael Crouse, Staff Attorney
James Garrity	Matthew Fossum, Director of Regional and Federal Affairs and Assistant Consumer Advocate
Neal Kurk	Charles Underhill, Director of Rates & Markets Policy
Kenneth Mailloux	

Mr. Moses called the meeting to order at 2:00 p.m. No members of the public were present. Official introductions were made for Charles Underhill (Director of Rates and Markets Policy), the newest member of the OCA Staff.

1. Minutes of January 22, 2023, Meeting

Mr. Mailloux moved to approve the minutes and Mr. Nute seconded; the motion was approved by all board members, excluding Tom Moses who abstained.

2. Presentation from Matthew Fossum - OCA

Mr. Fossum shared a presentation pertaining to regional and federal issues and that focused primarily on two things: (1) Formula Rates and Asset Condition Projects and (2) Forward Capacity Market Reforms.

FERC (Federal Energy Regulatory Commission) is the federal agency that regulates the interstate transmission of electricity, natural gas, and oil. FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects.

ISO-New England is an independent, non-profit regional transmission organization serving all of New England.

NEPOOL (New England Power Pool) was formed in response to the great Northeast blackout of 1965 to help advise and coordinate transmission planning and to achieve economic and reliability benefits through coordinated regional dispatch of power. It subsequently transferred its physical facilities and many of its operational responsibilities to ISO New England and assumed the role as the official stakeholder advisory body to ISO New England.

Mr. Fossum explained that prior to his hiring, the OCA relied on various consultants to monitor developments at the regional level (ISO and FERC), which limited the OCA's ability to participate actively in those forums. With his hiring, the OCA became much more active and involved. Mr. Fossum explained that NEPOOL is made up of six sectors and the OCA is a member of the End User sector. There are various committees that meet,

discuss, and vote on a whole host of issues. After a vote takes place, those issues become NEPOOL recommendations offered to ISO-NE on what it ought to file with the FERC; NEPOOL also has the right to initiate filings with FERC to be considered on an equal footing with ISO New England proposals.

In response to a question, Mr. Fossum explained that votes at NEPOOL are broken down by number of members within each of the six sectors. Often, for a vote to pass, it requires more than a majority, and Mr. Fossum offered a recent example where an item received 66.8 percent of vote when it required 66.6 percent. The OCA is one of roughly 40 members of End User sector. The State, the PUC, and the Department of Energy are not direct participants in NEPOOL committees, but they exercise rights through NESCOE (New England States Committee on Electricity).

**Formula Rates & Asset Condition Projects:** Mr. Fossum explained that an emerging area of concern is the increasing reliance on “asset condition” transmission projects as a source of revenue for transmission-owning utilities. He explained that asset condition projects involve the replacement and upgrade of existing transmission lines and other facilities, noting that their capital costs are automatically included in so-called “formula rates” (as approved by FERC) with very little scrutiny for prudence or otherwise.

Currently, one extreme example was Eversource’s the X-178 line, a 50 mile transmission line in Grafton County, connecting the Coos Loop to the Beebe River substation. Upon inspection, 41 poles out of 580 need replacing, but Eversource has sought to replace the entire line and add optical ground wire. This apparent abuse of the prudency presumption for asset condition projects in FERC Formula Rates caught the attention of many stakeholders, including the OCA, who objected to the \$384+/- million project. Mr. Fossum noted that Eversource had since backed off, and has stated it needs to perform “more analysis” because so many groups objected and began to scrutinize the Eversource proposal.

**Forward Capacity Market Reforms:** The current capacity market is set up so that resources are bid into an annual auction three years in advance and agree to provide capacity. Emerging resources such as solar, batteries, demand response, energy efficiency, etc. all have a much shorter development timeline, and the ISO seeks to align its processes to account for this change in the resource mix. The ISO is looking at 2 reforms to deal with what is likely to happen.

Prompt and Seasonal Market – having the commitment period closer to the bidding date removes risk and uncertainty that can come with bids made years in advance and, therefore, makes pricing clearer. Then you have Resource Capacity Accreditation – which, as presently proposed, would involve assessing the resource impact (“MRI”) of each resources and accounting for their contribution to capacity accordingly. .

Mr. Fossum also discussed the impending retirement of Mystic Station in Everett, Massachusetts, which had been operating under a a reliability-must-run contract. The retirement of Mystic means the potential closure of the adjacent Everett Marine Terminal, which receives shipments of liquified natural gas arriving by boat. GGas utilities in Massachusetts need Everett Marine Terminal for operational reasons and have filed

contracts with the Massachusetts Department of Public Utilities to keep the facility operating for another six years.

### 3. Status of Advisory Board Member Reappointments

Chairman Moses noted that there are three members of the Advisory Board whose terms expire on August 31 – Neal Kurk, Jim Garrity and Tom Moses and that a letter was sent to Speaker of the House Sherman Packard asking for reappointments. All have consented to serve another term.

### 4. Case Update

The Board received a current Activity List prior to the meeting.

Mr. Kreis directed the Board's attention to the OCA's work in Docket No. DE 24-044 (2023 Vegetation Management Program Plan of Liberty) and DW 23-101, in which the Pennichuck Corporation (owned by the City of Nashua) is seeking to merge its three regulated operating subsidiaries and consolidate their rates.

### 5. Legislative Update

The Board previously received a list of House and Senate Bills being tracked by the OCA. Mr. Kurk inquired about HB 1036 which eliminates the requirement to use Granite State Test in connection with the ratepayer-funded NH Saves energy efficiency programs. Mr. Kurk questioned whether it is appropriate for the Consumer Advocate to be taking positions on the merits of proposed legislation (as opposed simply to providing information about pending bills) and he further asked the Consumer Advocate to explain why he did not favor a proposal to allow the Public Utilities Commission to discontinue use of the Granite State Test. Mr. Kreis explained that state agencies routinely take positions on bills, that such advocacy is not considered lobbying for purposes of the law requiring lobbyist registration, and he remained convinced that the Granite State Test – developed in 2019 by a stakeholder group working under the aegis of the Public Utilities Commission, which ultimately endorsed the test – is a reasonable and appropriate method for determining whether ratepayer-funded energy efficiency programs and measures are cost-effective from a ratepayer perspective.

Mr. Kurk also questioned the OCA's opposition to HB 1059, which would update various building codes to their 2021 editions (as promulgated by the nonprofit International Codes Council) while leaving in place the 2018 version of the energy efficiency code. – Mr. Kreis said consumers would ultimately save money if homes are built to an updated energy efficiency standard and that public claims to the contrary have been misleading.

Lastly, Mr. Kurk inquired about the future of utility-provided default energy service in light of the emerging importance of the Community Power Coalition of New Hampshire, a consortium of more than 35 municipalities that was on its way to becoming the state's largest load-serving entity. Mr. Kreis noted that the OCA had recently filed white paper at the PUC, basically asking the PUC to stop making default service unattractive. He also noted that the OCA was discussing how best to engage with and monitor the activities of the Community Power Coalition.

6. Other topics or issues

Mr. Kurk made an observation about the title of this organization being “Advisory Board.” He urged the Board to institute the practice of taking votes on formal advice to the Consumer Advocate.

7. Adjournment

Mr. Garrity moved to adjourn. Mr. Nute seconded the motion, which was adopted unanimously. The meeting was adjourned at 4:45 p.m. The next meeting of the Board will be July 29, 2024, at 2:00 p.m.

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