

City of Keene
New Hampshire

FINANCE, ORGANIZATION AND PERSONNEL COMMITTEE
MEETING MINUTES

Thursday, February 13, 2025

6:00 PM

**Council Chambers,
City Hall**

Members Present:

Thomas F. Powers, Chair
Michael J. Remy, Vice Chair
Bettina A. Chadbourne
Bryan J. Lake
Kris E. Roberts

Staff Present:

Rebecca Landry, Deputy City Manager
Amanda Palmeira, Asst. City Attorney
Brian Ruoff, City Engineer
Andy Bohannon, Deputy City Manager
Paul Andrus, Community Development
Director
Mari Brunner, Senior Planner

Members Present:

All Present

Chair Powers called the meeting to order at 6:00 PM.

- 1) **Energy and Climate Committee Recommendations for Phase 2 of Keene Community Power Mari Brunner, Senior Planner**
- 2) **Recommended Amendments to Keene Community Power Plan - Community Development Mari Brunner, Senior Planner and Paul Andrus, Community Development Director**

Senior Planner Mari Brunner addressed the Committee and said she would like to take the first two items together since they are closely related. Councilor Powers agreed.

Ms. Brunner stated that the Keene Community Power Program is an opt-out electric aggregation program. She explained this means that the city pools all its electricity needs to make a bulk purchase of electricity on behalf of the customers that are within the city. She indicated this is an opt-out program because everybody is automatically enrolled unless they choose to leave the program or if they have already chosen a third-party supplier.

The City's community power consultants manage the program. There are two companies that have teamed up to work with the City. The first one is Standard Power and the second is Good Energy. Patrick Roach from Good Energy was present at the meeting. Ms. Brunner stated these consultants are paid through a per kWh administrative rate component of .1 cent per kWh – the City does not pay them directly, they are paid entirely out of the program.

Ms. Brunner referred to a PowerPoint presentation and explained that this program is enabled by Revised Statute Annotated 53 E.

Ms. Brunner noted the main reason the City first became aware of this program is when it was looking into ways to achieve the City's renewable energy goals that had been adopted by City Council. In 2019, the City Council adopted a goal to transition to 100% renewable electricity by 2030 and 100% renewable energy for transportation, heating and cooling energy by 2050.

Before the program could be launched, the City had to go through a planning process. Staff worked with the community, worked with the power committee that was appointed by City Council, sent out surveys, held public information sessions and through that process created a Community Power Plan. The Community Power plan was adopted by the City Council. Because this is an opt-out program, it required approval from the New Hampshire Public Utilities Commission.

The plan sets up the operation of the program. The City Manager is the one who provides direct management and oversight of the program. The Manager issues, bids and executes power supply agreements, all within parameters that are set by City Council and then the Community Power Committee, which has morphed into the Energy and Climate Committee, is the body that advises City Council and the City Manager with respect to the plan.

Ms. Brunner noted the plan states as follows that the *vision for Keene Community Power is to launch a timely community power program that provides community members with attractive choices and substantially enhanced renewable energy options at competitive prices and opens a new promising community path to 100% Electricity in 2030.*

Ms. Brunner referred to a slide which shows the product offerings that are available to the City through the program. The program launched in June of 2023 with fixed pricing for 30 months. The program runs through December 2025 meter reads. There are currently four options the City offers:

** Keene Standard, which is the default option. This adds 10% extra renewable energy above the state minimum. 35% total, 25% for the state minimum plus the 10% extra. 11.47 cents per kWh. This is the default that people are automatically enrolled in. However, if someone wants to choose a different option or leave the program, they have to choose to opt out.

The other three options are optional. Customers have to choose to opt into them:

** Keene Basic. This option meets the minimum requirements of the state for renewable energy, which was 25% by 2025. The cost is 11.1 cents per kWh.

** Keene 50 has 50% renewable energy at a cost of 12.05 cents per kWh.

**Keene 100 adds renewable energy to a total of 100%, and that costs 13.9 cents per kWh.

Ms. Brunner referred to the next slide which shows how many accounts there are in each of those options. The city has 7,132 accounts on the Keene standard option which is 93% of the accounts.

The Keene basic option has 317 customers, which is 4% of the accounts.

Keene 50 has 59 accounts, which is less than 1%

Keene 100 has 173 accounts, which is about 2%.

Ms. Brunner stated this program is having an impact. The City has avoided to date roughly as of last month, over 6.4 million pounds of carbon dioxide, which is equivalent to 6,700 barrels of oil.

Ms. Brunner went on to say as this pricing runs through December 2025, staff is already looking to go out to bid for that next phase of the program. The City Manager has requested the Energy and Climate Committee to look at some options. The Energy and Climate Committee met in January and heard a presentation from the consultant.

At the February meeting, the group discussed it further and made some specific recommendations:

Ms. Brunner explained some of the considerations that went into this were whether to add and keep the renewable energy contents at what it is today or increase it. One thing to consider with renewable energy is that the impact is immediate; as soon as the new rate goes into effect, you are buying that amount of renewable energy, but it is an indirect impact and might be impacting or generating more renewable energy development somewhere else in the New England or the Northeast region, not necessarily locally.

Another option available to the City is that the City has a discretionary reserve fund referred to as the Community Power Fund. Money could be added to build up that fund is referred to as an "Adder Fee."

Another consideration that went into this discussion was the overall cost of the program. There is a goal to have competitive pricing.

Ms. Brunner referred to the Climate Committee's recommendations. They are recommending that the City go down to three product offerings. The standard product, which is the default, as well as an option that is cheaper. The second would be an option to pay a little bit more and go up to 100% renewable energy for the residents who are willing to pay more.

The committee is also recommending that the City increases the amount of renewable energy added to the defaults by 15%. At the present time, the city is adding 10% extra. The committee is recommending 15%, so it would be adding 25% extra for a total of 50% total renewable energy and to also collect a discretionary fee to build up that discretionary reserve fund at about a .10 cent per KWh. The range being recommended for the fee is .075 to .125 which will give the City Manager a little bit of flexibility.

Ms. Brunner then referred to what the consultants had provided as to what the impact would be for the added renewable energy contents that are being recommended: If the city adds 10% additional New Hampshire Class 1 renewable energy in the default, the expected cost would be .41 cents per kWh, which comes out to about \$32 per year for the average household.

If that number is increased to 25%, which is the recommendation from the Energy and Climate Committee, a little over one cent per kWh would be the impact – this would be an annual average cost of \$80.00 for a typical household.

With respect to the discretionary reserve fund – Ms. Brunner stated the City already has a fund in place and it has been putting money into it from a virtual group net metering agreement with Standard Power and the mini Wawa Hydro Dam in Marlborough. She indicated there is about \$75,000 in the fund already.

The Energy and Climate Committee is recommending that the standard option and the 100% renewable option would both have a .10 cents Adder Fee, which the City would collect. The estimate is the City would collect about \$58,000 a year in Adder Fees. Over three years, this would account for around \$174,000. The annual cost to the average residential customer would be \$8 a year for that Adder Fee. This would help build up the fund and those funds could then be used to benefit program participants and support program goals.

Ms. Brunner reviewed some of those programs. One of the most popular ones is referred to as Electrify – to support residents and businesses that want to electrify by providing them with resources, rebates etc. Another available program is referred to as the New Hampshire Saves Program. The other one is the Heat Smart Plus Program - rebates are offered to residents who use heat pumps and other energy-efficient installations.

Ms. Brunner stated the Energy and Climate Committee with reference to the Adder Fee are recommending something more similar to the programs mentioned previously with the thought that the fund would be used to help residents and businesses who are participating in the program to reduce their energy costs.

Ms. Brunner next addressed what staff is proposing as amendments to the Energy Plan or to the Community Power Plan. The consultants suggest that they are confident collecting this fee is permitted but to make it clear in the plan that the city can collect this fee and what it would be used for in broad terms.

Ms. Brunner reviewed language as it pertains to this fee in the proposed amendments to the plan: *the program has the authority to collect a fee for discretionary energy reserve. The City would limit the uses of the discretionary energy reserve to providing benefits to program participants and supporting program goals.*

The plan also says that it would be the City Council who would decide how those funds get used.

It also states that the City Manager can set the amount of the fee, but within a pre-approved range set by City Council. This concluded Ms. Brunner's presentation.

The Chair asked for public comment.

Mr. Doug Hill of 123 Elm Street asked how the City rate compares to Eversource's rate. Ms. Brunner referred this question to Patrick Roche who stated Eversource was at \$0.08929 and Keene's default rate was at \$.114.

Mr. Hill asked whether anyone on the committee has invested in any solar array. Chair Powers stated Councilor Greenwald has solar arrays on some of his commercial properties.

Councilor Remy asked how many customers have opted out. Ms. Brunner stated her recollection was that around 5% of the total accounts opted out at the beginning but now it is closer to 10%.

Ms. Brunner stated that some residents of Keene as well as some residents from other communities have launched their own program in Cheshire County. They have two community power programs to choose from, in addition to Eversource as the default and any third-party supplier. She stated that according to the Community Power Coalition of New Hampshire about 50 accounts in Keene are participating in the Cheshire Community Power Program. There are also third-party suppliers, and some customers have opted to stay with Eversource.

Councilor Remy asked if those who opted out previously would have to opt out again when the City going through this process again. Mr. Roche stated they would stay opted out.

Councilor Remy asked if the City was to make rate changes, moving the default to 50% and functionally choosing to raise the cost, how this would be communicated to customers. Mr. Roche stated it would probably be very similar to the launch where every participating customer would get a letter, approximately 30 days in advance. There would also be other communications such as press releases, social media, in person meetings (Council) to get the word out.

Councilor Remy stated he does not like adding the Adder Fee to the default rate. A fee that goes to the City is not something he supports. He stated he would like to keep from getting upside down versus the Eversource base rate because this happens for 24 of the 30 months. He also asked whether the City joined the county's program to increase their bandwidth. Ms. Brunner stated with respect to the last question, the City did reach out to the Community Power Coalition of New Hampshire to learn more about what they offer. Ms. Brunner stated she and the City Manager met with them, but staff feel there is no great benefit to joining them at this time, especially since the City has a program that is already available and residents and businesses in Keene can already choose the Cheshire Community Power program. She noted their rates change every six months but their price is below default utility. The trade off is that you do not get the stability in the pricing.

She went on to say there are customers who are proactive and change companies when rates change, but there are also others who are willing to pay more for the 30-month term because they want stability month to month and feel having more options is better. She also felt it would be good for the City to continue to do as much communication, outreach and education around the options that are available to customers.

Councilor Lake referred to the Adder Fee and stated he understands the hesitation to add that to the default plan but felt it was important to continue to build up the resources locally to improve our infrastructure. He added if the City does want to go along with the Adder Fee it is important for the City to be vocal and visible about the programs. To also make sure these fees are improving the energy costs of the people that are on the program in this community.

Councilor Chadbourne stated she does not feel very positive about the Adder Fee. The Councilor noted the rate for Cheshire right now is 8.9 cents. She added she knows of someone who just switched to back to Eversource, because their rates are much less than the City. The Councilor went on to say costs of living are increasing and the City needs to make sure it balances what its goals are and what it is doing for the community with the needs of the citizens. She stated she is concerned that the City will lose more people (in the program) if we are not careful.

Ms. Brunner stated one thing the Council could consider - as she had mentioned, a 10th of a cent, would only add an average of \$8 a year to a household. The recommendation from the Energy and Climate Committee to add the 25% renewable energy would add a little over a cent which would be a cost of about \$80.00 a year to an average household. She felt this could be an area if Council wanted to give the city manager some direction on pricing and making sure that the City has competitive rates.

Councilor Lake stated he is partial to the recommendation that came out of the Committee. He stated he likes the 25%, 50% and 100% and felt it was good to have a more simplified plan. He felt it was important that the default goes to 50%. As the Senior Planner had mentioned, the 2030 goal of getting to 100% is the next negotiation cycle. He felt if the increase is not sufficient now the increase would have to be much greater in the future.

Councilor Remy stated he would like to split the motion and vote on the Adder Fee separately. Asst. City Attorney Palmeira agreed this was acceptable.

Councilor Chadbourne made the following motion, which was seconded by Councilor Lake.

On a 5-0 vote, the Finance, Organization and Personnel Committee that the next Community Power Program electricity options have three levels. The levels would include Keene Basic (25% total renewable energy), Keene 50 (Default, 50% total renewable energy), and Keene 100 (100% total renewable energy).

Councilor Lake made the following motion, which was seconded by Councilor Remy.

That the Finance, Organization and Personnel Committee recommends that an Adder Fee be included for the City Manager to negotiate, which is recommended to be between 0.075 and 0.125 cents per kWh.

Councilor Roberts stated he had an issue adding the Adder Fee to the basic plan because many senior households are already having trouble making ends meet. Councilor Lake noted the intent is not to apply the fee to the basic plan; the lowest plan will not have the Adder Fee, the fee would only be applied to the 50 and 100 Plan. Councilor Remy clarified the default customers

who are signed up for the 50 Plan would include the Adder Fee. If someone does not know how to opt out they would be charged the Adder Fee. Councilor Roberts asked how the City plans on addressing this issue; how can customers be informed of this. The Councilor stated there was communication sent out to customers, and if someone does not see that then they are being charged that fee. Councilor Chadbourne stated these are unpredictable times and the City needs to strike a balance. There is only a small group of people who want to see this change. She stated she wanted to be conservative moving forward.

The motion carried on a 3-2 vote, with Councilors Remy and Chadbourne voting in opposition.

Councilor Lake referred to Ms. Brunner regarding an amendment to the intent part of the plan that included electrification and transportation centers. He stated the electrification portion makes sense but asked how the transportation piece ties into the transportation goals.

Ms. Brunner stated that this goes back to the overall vision of this program helping the City reach its overall energy goals. Based on the recommendation from the Energy and Climate Committee, there was mention of perhaps customers being able to use it as a rebate for a vehicle charging station or a heat pump, which would go into electrification and which would also support the heating, cooling and transportation renewable energy goals.

Councilor Remy made the following motion, which was seconded by Councilor Roberts.

On 5-0 vote, the Finance, Organization and Personnel Committee recommends that the Community Power Plan with the amendments shown in the draft dated February 10, 2025 be adopted.

3) Relating to Appropriations for ADA Ramp at Recreation Center Resolution R-2025-04 Andy Bohannon, Deputy City Manager

Deputy City Manager Andy Bohannon was the next speaker. Mr. Bohannon stated he was before the committee tonight to request authorization to utilize some of the unfunded balance - up to \$60,000 - related to the Brian E Matson Recreation Center, ADA ramp that was part of the CDFA Community Center loan the City received. The City has been working on this project and unfortunately the project bids came in higher than anticipated. The first bid came in at \$234,000. \$115,000 was allocated for the project. City staff determined the design was too elaborate, and staff re-designed the project and went back out to bid. The second time around the City received a low bid of \$180,000 on a very basic design. With this new design, the ramp will start in the upper corner of the Recreation Center in the front by the staircase and will come back down into the flagpole area. Mr. Bohannon stated this design will be aesthetically pleasing and will be functional. The City received a donation last week of \$10,000 from Savings Bank of Walpole. Unfortunately, the City heard last week that they did not receive a sizable grant that it was looking to receive.

As a result, City staff is requesting up to \$60,000. If other donations come in through other organizations, the requested \$60,000 will be reduced based on that. He noted the City also received a donation for \$250 from the Elks Club.

Councilor Roberts made the following motion, which was seconded by Councilor Lake.

On a 5-0 roll call vote, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2025-04.

4) Relating to Appropriation of Funds - Sewer Main Lining Resolution R-2025-05
Brian Ruoff, City Engineer

City Engineer Brian Ruoff addressed the committee next. Mr. Ruoff stated in 2022, the City applied for and obtained the Clean Water State Revolving Fund loan through DES in the amount of \$1,030,000 for the scope of construction services to rehabilitate the City's existing sewer mains.

The locations were identified as part of two programs. The first was in 2015 to identify infiltration and inflow from the City's sewer and the second in 2019 from a sewer main assessment management plan. He stated a lot of planning has gone into this to get to this point. In December, a bid was submitted for the scope of this work, which is about 16,000 linear feet of sewer main lining for this program. Bids came in, and they were very competitive. The low bid came in at \$741,959. Mr. Ruoff stated this was always intended to be a multiple-year program. Staff does not anticipate that this contractor will be able to do all this work in one construction season. It will likely go over to two construction seasons.

What staff is requesting with this resolution is to move FY26 and 27 funds that have already been added into the capital improvements plan to bring them forward so this contract could be awarded.

He added the major benefit to the City is the loan forgiveness at 10%. The City is looking to maximize this loan from DES as much as possible to get as much loan forgiveness as possible.

Councilor Lake noted a Scriveners error on the Resolution and asked if it was supposed to be \$450,000 or \$430,000 and mentioned there is a missing zero in numbers in parentheses.

The second question is what areas of the City will be part of this project. Mr. Ruoff said the amount should be \$450,000 and the area identified in the infiltration study is mainly the Eastern area which has the oldest sewer main infrastructure; Marlborough Street, Congress Street, Eastern Avenue.

Councilor Chadbourne made the following motion, which was seconded by Councilor Lake.

On a 5-0 roll call vote, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2025-05.

5) Relating to Appropriation of Funds - Sewer Manhole Lining Resolution R-2025-06
Brian Ruoff, City Engineer

Mr. Ruoff addressed this matter as well. He stated that in 2022, the City applied for and obtained the Clean Water State Revolving Fund loan from DES for approximately \$840,000 for the scope of construction services for sewer manhole lining. The City has about 200 brick manholes Citywide. Some can be lined and some need to be replaced completely. This project bids came in

a little high. He has the same request as the prior project; to bring forward FY26 and 27 funds to award this project for construction and go forward with the work.

Councilor Lake made the following motion, which was seconded by Councilor Remy.

On a 5-0 roll call vote, the Finance, Organization and Personnel Committee recommends adoption of Resolution R-2025-06.

There being no further business, Chair Powers adjourned the meeting at 6:54 PM.

Respectfully submitted by,
Krishni Pahl, Minute Taker

Edits submitted by,
Kathleen Richards, Deputy City Clerk