

Draft Minutes  
Energy Efficiency and Sustainable Energy Board  
NHPUC, 21 S. Fruit Street, STE 10, Concord, NH  
October 31, 2008 Meeting

\*Items underlined and in color are hyperlinked to documents.

**Members in Attendance:** Clifton C. Below, Commissioner, NHPUC, Jack Ruderman of NH OEP, Meredith Hatfield of the OCA, Joanne Morin for Robert Scott of the DES, Susan Olsen of the NH Municipal Association, Brian Wujcik of NH Homebuilders Association, Daniel Feltes of NH Legal Assistance, Representative David Borden, Representative James Garrity, Senator Martha Fuller Clark, Richard Ober of NH Charitable Foundation, Dick Henry of the Jordan Institute, Wes Golomb of NH SEA, Ken Walsh of NH Fire Marshall Office, Dean Christon of NH Housing Finance Authority, Michael Connor of NH DAS, Patti Carrier of NH Ball Bearings.

**Non-Voting Members in Attendance:** Gil Gelineau of PSNH, John Puc of National Grid, Cindy Carroll of Unitil, Derek Buchler of Northern Utilities, Ray Gosney of NH Electric Co-op, James Grady of Lightec, Inc., Charles Niebling of New England Wood Pellet, Janet Brewer of Ocean Bank.

**Link to Meeting Agenda:** [Meeting Agenda](#)

**REMINDER:** **Richard Ober** asked that members remember to fill out their [New Hampshire Statement of Financial Interest](#) - [RSA 15-A](#) form. The purpose of this form is to ensure that the duties of members of the board do not give rise to a conflict of interest. Members were asked to fill out this form and return it to [Jennifer Ducharme](#), Legal Assistant with the NHPUC, by the end of the meeting or by early next week so that she can file all of the forms with the Secretary of State's office.

**1. Approval of Minutes of October 1, 2008 and October 17, 2008.**

The revised minutes from the October 1, 2008 meeting were briefly discussed.

**Meredith Hatfield** moved to adopt the revised minutes as a substitute for the originally approved minutes. The motion was seconded by **Representative James Garrity** and unanimously adopted.

The minutes from the October 17, 2008 meeting were briefly discussed. **Meredith Hatfield** moved to adopt the minutes. The motion was seconded by **Dean Christon** and unanimously adopted.

**Gil Gelineau** commented that the board should adjourn meetings at their scheduled time and not go over the three hour time allotted so not to create scheduling conflicts.

## **2. Regional Greenhouse Gas Initiative Proposed Draft Interim Rules**

Commissioner Clifton Below provided an update regarding the interim status of the PUC 2600, Greenhouse Gas Emissions Reduction Fund Proposed Interim Rules. He noted that the Interim Rules should take effect by the end of 2008 and they will be in effect for 180 days after that. The PUC hopes to have the initial proposal for the regular rules finalized by the end of January so as to complete the rulemaking process before the interim rules expire. Commissioner Below noted that the EESE Board will be more involved in the review of regular rules and urged members and interested parties to forward their ideas/comments/suggestions for the regular rules to [Jennifer Ducharme](#), Legal Assistant for the PUC, or to voice their opinions/comments when the EESE board discusses the rules at meetings in early 2009

## **3. Current Efficiency Programs - Additional Questions/Comments from Presentations from last meeting**

Due to time constraints at the last meeting, the question and answer time period allotted after the five energy efficiency presentations at the 10/17 meeting did not allow ample time for all questions to be answered. Therefore discussions ensued regarding questions of members and interested parties at the 10/31 meeting.

**David Borden** questioned as to whether or not it was within the charge of the EESE board to adopt a "best practices" type guide in regard to energy efficiency programs.

Many other board members, such as **James Grady, Joanne Morin, Gil Gelineau, Charlie Niebling, Jack Ruderman and Dick Henry**, shared the notion that a "best practices" type guide may be feasible but energy efficiency is a complicated issue with many layers. These members noted that every utility is different and that there are benefits to having differences within programs because it provides utilities an opportunity to try new things. New measures/technologies are coming online all the time. Those innovations keep the flexibility to continue to try new things outside of gas and electricity measures and create technology neutral measures.

**Dick Henry** noted that it is important to recognize the size of the issues that the EESE board is dealing with, both in need and funding. It is the responsibility of this board to analyze all aspects of energy efficiency and not just focus on the standard funding measures such as the Systems Benefit Charge (SBC). Now, with the

new funding sources such as RPS and RGGI we need to push innovative thinking and try to think outside of the box.

#### **4. Study on Energy Efficiency Potential for New Hampshire**

**Commissioner Clifton Below** noted that a key piece of information that the board will need to review and analyze as it moves forward is the Energy Efficiency Potential Study being conducted by GDS Associates and RLW Analytics, Inc. for the PUC and the electric and gas utilities. A [Request for Proposals](#) (RFP) was issued by the PUC on January 28, 2008 in order to provide the scope, procedure, expectations, and tasks involved for the winning bidder. It can be found in the link above.

**Commissioner Below** explained that while the study focused on electricity and natural gas, it also dealt with energy efficiency that reduces propane and fuel oil to the extent electric or gas savings were also involved. Many people have been involved, from the PUC and OCA staff and utilities. A draft of this report is expected by the next EESE board meeting and a large portion of the 11/13 meeting will be devoted to the review of this study. As background Commissioner Below reviewed the Total Resource Cost (TRC) test for cost effectiveness as it had been recommended to the Commission and largely adopted from the July 6, 1999 final report of the NH Energy Efficiency Working Group, pp. 14-18 in particular, found at: [DE 96-150 EE Working Group Report](#).

Lastly, Commissioner Below quickly reviewed slides from ["Selected Topics from Avoided Energy Supply Costs in New England, 2007 Final Report"](#) by Synapse Energy Economics, Inc. (Synapse) prepared for the Avoided-Energy-Supply-Component (AESC) Study Group. These slides reviewed issues taken from the [final report](#) prepared for the AESC study group. Some of the issues covered were:

- o Background/Members of the AESC Study Group (Including the NH PUC)
- o Background of avoided electricity cost components
- o Projections of Natural Gas Costs, Avoided Electric Energy Costs, Avoided Electric Costs due to Capacity Costs, Retail Adders, Demand Reduction Induced Price Effect (DRIPE), and CO2 Environmental Costs.
- o Emission Allowance Price Forecasts - 20 Years
- o Natural Gas & Electricity Cost Forecasting - 20 Years

This study is important because GDS Associates is using it as a basis for determining the cost effectiveness of measures for the Energy Efficiency Potential Study for New Hampshire.

**Meredith Hatfield** noted that one reason that these studies are done are because ratepayers fund energy efficiency measures and all programs are rigorously tested to make sure that they will provide a significant benefit.

**Derek Buchler** commented that these studies are done every two years so these figures are not a "one-shot" thing. It is constantly being updated and reviewed.

**The meeting recessed at 10:22 am for a short break and resumed at 10:32 am.**

##### **5. Work Plan for Board**

**Richard Ober** presented three models the EESE board could adopt to accomplish its duties as prescribed in [RSA 125-0:5-a](#). He noted that all three models are equally valid:

1. Stewardship Model - Complete all of the 10 duties as delegated in RSA 125-0:5-a.
  - a. Fulfill the statutory obligations but not go much beyond the letter of the charge.
2. Partnership Model - Includes Stewardship model but also involves partnering with other groups, including the Climate Action Task Force, to actively help them promote and implement their recommendations and ideas.
3. Leadership Model - Includes the Stewardship model and the Partnership model but assumes a leadership role for the board in developing a long-term vision, aggressive goals, and following through with implementation plans. Takes full advantage of the breadth of the legislative charge.

Chairman Ober asked all board members to comment on which of the three models they believe is appropriate and why.

**Representative Jim Garrity** stated that it was legislative intent for the board to pursue the Leadership model.

**Charlie Niebling** commented to the board that it would be a missed opportunity if it was not to choose the leadership model.

**Senator Martha Fuller Clark** concurred with Rep. Garrity about legislative intent. She noted that the manner in which the board approaches these issues is critical and we need a better sense of what the board can comprehensively do. She also noted that the board should work conjunctively with other boards and the climate task force to gather information, especially since the task force is a short term board and we are not.

**Representative David Borden** stated that our role is leadership and it is more of an authority to deal with many real challenges. We should be displaying leadership on all 10 challenges delegated to the board in the [statute](#) and providing opportunities in dealing with them.

**Gil Gelineau and James Grady** both noted that the leadership model was the clear choice but a very important aspect of that would be the partnership role because of the strength of the utilities, energy service companies, and other partners.

**Dick Henry** noted that the leadership model was the intent of the legislature and should be followed but completing the task shown as item (j) in the [statute](#) will be crucial because the board could have a huge impact.

**Joanne Morin** chose the leadership model because we are at a new threshold in energy efficiency due to having a price on carbon (Regional Greenhouse Gas Initiative). Now we can really make sure that money is spent effectively and with thoughtful consideration.

**Brian Wujcik** agreed with the leadership model but noted that the board needed to talk about inefficiencies in current programs and make sure that we can improve them.

**Dean Christon** noted that it is important that the board take the intent of the legislature into account about the leadership role and noted that focus is equally important.

**Ken Walsh** chose the leadership model and urged the board to highly encourage innovation and entrepreneurialism because that is an area that promotes growth and cannot be closed off. He urged the board to think outside the box.

**Wes Golomb** advocated for the leadership model because it builds on the stewardship and partnership models. He noted that we must provide leadership and cannot consider failing because it is just too important for our children and ourselves - we need to really make this happen.

**Patti Carrier** noted that the stewardship and partnership models are givens and that the leadership model is a necessity. What the board must truly account for is accountability which is very important and is a large part of leadership.

**Susan Olsen** chose the leadership model and discussed her role with municipalities dealing with these issues and with the residents who have to deal with them.

**Cindy Carroll** noted that when you account for legislative intent as well as a qualified group of people then the only option is the leadership model.

**Derek Buchler** noted that he is serving on the NH board as well as the MA board (which had not yet convened). He does not know enough about the MA board at this time to note any similarities or differences from the NH board. He additionally noted that it is good to go for the stars but only if you can produce at the end so he could not decide which model would be right for the board right now.

**Michael Connor** noted that the leadership model is right and that we need to figure out where the funds are and how much funds are available so that we can find the best place to fund initiatives.

**Janet Brewer** stated that there was no choice but the leadership model with such a complex task at hand. She noted that one aspect of leadership is the ability to focus on completing specific goals and being disciplined in measuring progress.

**Ray Gosney** noted that we need to analyze how important certain duties delegated to us are and to what degree the board can implement them because if we cannot fully achieve the leadership model then we need to focus on the Stewardship and Partnership model.

**Jack Ruderman and Meredith Hatfield** noted that leadership is the way to go and the next logical step is trying to figure out how we get there.

Non-members also voiced their opinions regarding the model choice to follow.

There was a general consensus with the leadership model **Bob King** asked the board to be bold, think about future generations, and seize the opportunity to break some of the "taboos" currently in place such as the notion that increasing energy prices is a bad thing and the notion of utilizing the grid rather than coming off of it. He also noted the importance of advertising and marketing to the board.

**Jon Osgood** noted that the 1973 Governors Council on Energy focused on home appliances and the consumers, but failed to take the major strategic view of the world into account, which is something that this board can do. We must look at the global system and pursue bigger options, for example, rather than congratulating someone for buying an energy efficient clothes dryer - ask them why they bought a clothes dryer at all.

**Gil Gelineau** asked what the relationship is between the EESE board and the Public Utilities Commission and what the dividing line is. **Jim Garrity** commented that this board is an authoritative advisory board to the PUC and to other agencies and groups.

**Clifton Below** commented that many states do things differently. The PUC has a new role in energy efficiency, staff support to this board, applying and sharing its resources and accountability.

**Meredith Hatfield** commented that litigating energy efficiency measures is not cost effective and we need to achieve very difficult goals so having a group of people together who can shape ideas into workable measures is crucial. She also noted that utilities should not see this board as another group of people trying to regulate them because that is not the case at all. We will all need to work together.

**Jim O'Reilly** spoke to the board regarding his organization, Northeast Energy Efficiency Partnership (NEEP - [www.neep.org](http://www.neep.org)) and noted that NEEP has done a lot of regional work and that NH has come a long way already. He expressed that NEEP is happy to help the board in any way and urged members to not get discouraged.

**6. Other Business:** Additional information regarding the work plan of the board was deferred to the December meeting. **Meredith Hatfield** offered to try to recruit someone to come in and speak to the board regarding what other States have been doing with their Energy Efficiency boards and will try to coordinate that for an upcoming meeting. Charles Niebling reminded the board that the deadline for submitting Legislative Service Requests is pending and the board should consider if there are any legislative needs for 2009. **Senator Fuller Clark** and **Rep. Garrity** offered to be ready with a LSR if necessary.

#### **7. Set Dates for Future Meetings**

The next meeting of the EESE board is scheduled for November 13, 2008 at 9:00am at the PUC. The board will be discussing the NH Energy Efficiency Potential Study at length. Future meeting dates, times **and locations will be released at a later time.** Chairman Ober recommended the board consider field visits to sites such as Crotched Mountain Rehabilitation Center to see cutting edge energy efficiency and sustainability in practice.

There being no other business to come before the board, Chairman Ober adjourned the meeting at 12:01 p.m.