

Draft Minutes
Energy Efficiency and Sustainable Energy Board
NHPUC, 21 S. Fruit Street, STE 10, Concord, NH
January 9, 2009 Meeting

*Items underlined and in color are hyperlinked to documents.

Members in Attendance: Richard Ober of NH Charitable Foundation, Jack Ruderman of NHPUC, Meredith Hatfield of the OCA, Eric Steltzer of NH OEP, Joanne Morin for Robert Scott of DES, Roy Duddy, Interim Director, Division of Economic Development of DRED, Daniel Feltes of NHLA, Susan Olsen of NH Municipal Association, Dick Henry of the Jordan Institute, Wes Golomb of NH SEA, Dean Christon of NHHFA, Karen Rantamaki, State Energy Manager, Patti Carrier of NH Ball Bearings, Representative James Garrity.

Non-Voting Members in Attendance: Gil Gelineau of PSNH, Diana Duffy for John Puc of National Grid, Cindy Carroll of Unitil, Carol Woods for Ray Gosney of NHEC, James Grady of Lightec, Inc., Charles Niebling of New England Wood Pellet, Janet Brewer of Ocean Bank, Clifton C. Below of NHPUC.

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

Welcome & Chair's Remarks.

Chairman Ober convened the meeting at 9:10 A.M.

He went over the agenda items for the meeting and then asked everyone in the room to introduce themselves. {Introductions followed}

Clifton Below announced that **Jack Ruderman** has taken on his new position as Director of the Division of Sustainable Energy at the PUC. Jack will be replacing Clifton as PUC designee on the board. **Commissioner Below** noted that although he would no longer be the formal PUC representative, he would continue to attend meetings.

1. Adoption of December 5, 2008 Meeting Minutes

Representative James Garrity moved to adopt the minutes. The motion was seconded by **Jack Ruderman** and unanimously adopted by the board subject to minor editorial revisions presented by **Chairman Ober**.

2. Updates

The board discussed the Energy Efficiency Potential Report presented by GDS Associates. **Clifton Below** noted that the report was not quite done yet but that it was very close to completion. **Scott Albert** from GDS Associates noted that the deadline for utilities to comment on the report was extended due to the recent ice storm. He noted that GDS expects to have a revised final

version of the report by next Friday (January 16th) but that work may overflow into the following week.

The [Thermal Renewable Energy Report](#) has been released. **Eric Steltzer** briefed the board on the findings and recommendations of the report. He noted that as a result of [HB873](#), a charge was given to OEP to study, evaluate and make recommendations on measures the state could implement to encourage greater use of thermal renewable energy. OEP initiated a Thermal Study Group, which comprised of members from the utilities, renewable energy industry, state agencies, legislators and private citizens.

He noted that the first matter that the study group dealt with was to define the terms thermal energy and thermal renewable energy. The group defined:

Thermal energy as energy used either to regulate the temperature of an area or to create steam to power industrial machinery; and

Thermal renewable energy as the control of heating or cooling through a system that uses energy from a sustainable source whose supplies is regenerative or essentially inexhaustible. Examples of thermal renewable energy sources included but were not limited to biomass, geothermal, solar thermal, passive solar, methane gas and biodiesel.

Eric noted that a specific charge of the group was to determine the feasibility of a thermal renewable portfolio standard (RPS). He noted that it was determined by the group that a thermal RPS would not be feasible at this time due to the fact that the thermal industry is unregulated and decentralized and that the cost of implementing a Thermal RPS would be excessive.

He noted that the report provided 6 recommendations for state and local governments to consider implementing in order to encourage the use of thermal renewable energy resources. They are to:

- 1) Encourage and support thermal renewable projects with the use of funds from the Greenhouse Gas Emissions Reduction Fund;
 - 2) Increase educational efforts on thermal renewable energy systems;
 - 3) Consider the implementation of a possible Thermal System Benefits Charge;
 - 4) Assess state and local regulations for barriers to thermal renewable energy systems;
 - 5) Promote district heating and clarify hot water utility requirements;
- and

6) Standardize property tax exemptions for renewable energy systems.

Members of the EESE board such as **Charlie Niebling and Dick Henry** commended the work of Eric Steltzer and other members of the study group and OEP for a great job in producing this highly constructive and helpful report during a very busy time. **Jack Ruderman** noted that the production of this report was a very informative process and many new things were learned during the process. He noted that one very important thing that he learned was that using biomass as a fuel for heating is more efficient than using biomass for electricity.

Chairman Ober noted that it would be useful to look at all 3 of the reports (Climate Action Task Force, Thermal Renewable Energy Report and Governor's 25x25 report) which were recently or soon to be released and try to find recommendations which were recurring in all 3 reports in order to have the EESE board collectively recommend them. **Joanne Morin** noted that the groups working on these reports tried to coordinate the results so that all 3 reports could build on each other. She noted that the task force would provide broad recommendations and then the thermal and 25x25 reports would be more specific in order to make sure that all 3 reports could be used as a resource.

Chairman Ober reviewed some of the 2009 energy related Legislative Service Requests (LSR) currently proposed to be reviewed in the 2009 Legislative session. The LSR's of interest which were listed at the meeting are listed [here](#). Chairman Ober hopes to discuss these LSR's at future EESE board meetings and perhaps support some of them collectively. **Eric Steltzer** noted that OEP will post a list of those LSR's on their website as well. Once they are posted to the OEP website then Jennifer Ducharme will email the link out to everyone on the EESE board service list so that they can access/track them.

3. Federal Energy Stimulus Package

Kate Peters spoke to the board regarding the design of NH's Federal Energy Stimulus package as propounded by President Obama's administration. She noted that the Governor has initiated a team consisting of staff from OEP, DES, PUC, etc and that they are providing input and working together to put together a package to be sent to our Congressional District in Washington. This package will consist of projects within NH requiring the need of Federal Stimulus funds. She noted that Amy Ignatius, Director of the Office of Energy & Planning took the lead on this project and that some possible projects to be included in the energy package could be:

- ✓ The upgrade to the Coos Loop

- ✓ Creation of 'Green Jobs'
- ✓ Low Income Weatherization expansion
- ✓ Rebates for residential insulation upgrades/installation
- ✓ Biomass upgrades
- ✓ Energy efficiency measures for wastewater plants and other businesses
- ✓ Energy efficient upgrades and retrofits for state and municipal buildings

Kate also noted that NH is working on compiling this list of projects so that if/when Federal funds are available; NH can be ready for them and be able to use them wisely.

Dick Henry commented that there was a whole slew of funding right now coming through HUD, CDFA, Dept. of Education, etc for energy related issues. He noted that it is important to leverage those program funds with any federal funds in order to maximize their use.

Dean Christon noted that there was a substantial amount of federal money coming through HUD (estimated at approximately \$20 billion) and that NH will want to be able to use as many funds as possible and leverage those funds as much as possible. He noted that in order to do that, NH will have to ready to use those funds right away when they become available and that projects will need to be ready to go.

Chairman Ober reminded board members that although the stimulus amounts are very high in the billions, NH only represents approximately .3% of the population and NH will not be receiving those full amounts. **Dean Christon** noted that many funding disbursements are generally 'per capita' based which may benefit NH.

Jim Grady and other members of the board expressed concerns regarding managing and leveraging any federal funds received to ensure that the money is well spent and not squandered.

Gil Gelineau and Dick Henry noted that NH is already a leader in efficiency and has initiated many great energy efficiency programs but that it would be important to stress how much more work really needs to be done. For example, we could let our congressional district know that 10,000 out of 91,000 homes have been weatherized (example figures) so that the congressional district can understand how much more work needs to be done.

Additionally, **Kate Peters** discussed the Governor's State of the State address in which the Governor proposed a 'green jobs initiative', expansion of low income weatherization programs, state building efficiency upgrades, additional education and training, and the possibility of energy efficiency

revolving loan funds. She noted that he is trying to set specific goals and work with other state agencies in order to get a proposal together to submit to the RGGI program for implementation. She also noted that perhaps there is a better way to coordinate ideas and that she is open to hearing any suggestions.

Representative James Garrity noted that it would be helpful to have a work flow diagram made up which lists all available funding, all persons who qualify for the funding, and how people can access the funding. He noted that this diagram could be made available to everyone so that anyone could assist the public in locating funds to use for energy efficiency projects.

Chairman Ober noted that this type of diagram could also assist the EESE board in terms of matching and leveraging RGGI funds. He asked for 3-4 volunteers who could assist in creating this diagram. He noted that **Dean Christon and Eric Steltzer** would be good additions to this team due to their knowledge in the process.

Meredith Hatfield commented that she believed that there needed to be 2 groups. One group to implement **Representative Garrity's** work diagram idea and another to determine how to best access any fund money once it is received and what the best delivery system might be.

Chairman Ober agreed and noted that there would be 2 groups created:

- The first would be assessing potential funds and connecting the dots between funding sources, qualifying for funds and accessing them.
- The second group would determine how to better coordinate in order to maximize and leverage the funds in order to make them go further.

Chairman Ober asked members to determine which one of these 2 sub-boards they would be part of and additionally noted that when the Governor's list of potential energy projects was finalized that he would write a letter on behalf of the EESE board in support of the projects and send it to our congressional district in Washington.

4. Climate Task Force Recommendations

Joanne Morin presented a power point presentation to the board regarding the [NH Climate Change Action Plan](#). Her presentation can be viewed by clicking the link and covered topics such as:

- ✓ Climate Change Policy Task Force Membership;
- ✓ Technical & Policy Work Groups;
- ✓ Public Involvement & Social Networking;

- ✓ Task Force Principles;
- ✓ Draft Report - Outcomes
 - o Maximize Efficiency in Buildings;
 - o Increase renewable/low emitting resources in a long-term sustainable manner;
 - o Support regional/national actions to reduce vehicle emissions;
 - o Encourage land use patterns that enable fewer Vehicle-Miles Traveled (VMT);
 - o Reduce VMT through an integrated multi-modal transportation system;
 - o Protect natural resources to maintain the amount of carbon foxed/sequestered;
 - o Lead by example in government operations;
 - o Plan for existing and potential climate change impacts (i.e., adaptation);
 - o Develop an integrated education, outreach and workforce training program.
- ✓ Graphs/Charts regarding UNH Carbon analysis and CO₂ and Economic Benefits in 2025; and
- ✓ Roll out of the Action plan

Chairman Ober noted that the EESE board was named as one of the implementing parties in the report.

Hatfield reminded board members that what the board was discussing today was just a 'drop in the bucket' compared to what needed to be done and she reminded everyone that the board has a huge task ahead of them.

BREAK - The meeting recessed at 10:47 a.m. for a short break and resumed at 11:02 a.m.

5. Regional Greenhouse Gas Initiative

Jack Ruderman led the discussion regarding the RGGI Request for Proposals (RFP) process. He noted that 8.6 million tons of CO₂ are emitted by the power sector each year in NH. He also noted that NH has \$2.5 million in proceeds from the first RGGI auction in December 2008 and we could expect approximately \$18 million total from the 4 auctions scheduled for 2009.

Jack noted that there are 3 ways to distribute the funds from the auctions:

- ✓ Request for Proposals (RFP);
- ✓ Adjudicative proceeding for the system benefits charge core efficiency programs;
- ✓ Otherwise through an adjudicative proceeding.

With regard to the RFP process, Jack noted that the ultimate goal was to support energy efficiency, conservation and demand response programs. He asked members 4 questions:

- ✓ Should we take a reactive or proactive approach?
- ✓ Should we enact proven approaches or pursue new approaches?
- ✓ Should our goal be for immediate reductions or long-term strategies?
- ✓ Should we distribute grants or revolving loans?

Joanne Morin reminded members that the statutory requirement for the disbursement of funds requires that 10% of the funds be used for low-income programs.

Representative James Garrity commented that when you consider the traditional RFP, you are looking at the benefit that will be received on day one. This RFP should focus more on a life cycle analysis and perhaps apply a sort of 'carbon reduction score card' in the award process. **Chairman Ober** noted that good grant making procedure involves looking at long term sustainability of proposals and **Jack Ruderman** noted that all applications will have to be verifiable.

Eric Steltzer commented that the process should look at what portion of funds could be enacted for multi year programs and whether or not money could held for the next years scheduled disbursements.

Meredith Hatfield commented that if an applicant notes that they will need \$1 million for a project then they should be required to break down their spending. For example, if an applicant states that it will need \$1 million over 2 years by way of 6 months increments; then they must provide specifics regarding what must be done and verified before the next increment will be disbursed.

Also, she noted that the PUC should try to make sure that there is money available for education, training and outreach. Lastly, she noted that the PUC should proactively seek proposals from entities that aggregate and coordinate the funds for direct grant and revolving loan programs. She noted

that perhaps coordinating the process from a wholesale perspective rather than a retail format might be more effective.

Scott Albert from GDS Associates commented that the PUC must clearly specify the criteria that it will be judging proposals on. He noted that a job creation guideline is not explicit in the task force report recommendations and that it should be a priority for this RFP so that projects aren't completed with workers from other states when NH needs the jobs. He advised the PUC to set clear guidelines which are measurable and verifiable and require a carbon reduction figure and job creation figure for each project. This way the PUC can determine the amount of carbon reduction and job creation, etc expected each year. Additionally, he suggested that the PUC look into issuing Public Opportunity Notices (PONS) as used in NY State while the RFP process develops in more detail.

Roy Duddy noted that some existing projects may become some of the more "core" (Not SBC Core programs) projects affiliated with the GGERF funds. He noted that these projects cannot be constantly started and stopped just to find out that they do not work. He advised the PUC to use state funds to leverage funds received from other state/federal programs such as funds or grants from the Economic Development Administration (EDA) or the Dept. of Housing and Urban Development (HUD). We need to try to make these funds go as far as we can and we can do that by leveraging them with other funds to get the maximum benefit out of them.

Charlie Niebling and Dick Henry encouraged the PUC to provide for a ranking system, which encourages everyone with ideas to come forward and present them. Charlie noted that an important aspect will be to ensure that funds are disbursed across all of NH in as many regions as possible. Dick noted that you want to encourage the greatest degree of innovation and maximize the leveraging of funds with other programs. Additionally, the PUC ought to focus on thermal programs (using a carbon reduction metric) since there are currently no fuel blind programs in the state. Dick also advised the PUC to look for barriers in programs to try to avoid them. Implementing programs such as buying down interest rates and state backed bonds may allow more programs to be put into operation.

Meredith Hatfield noted that we want to send the message that efficiency pays for itself and revolving loan programs would do that. Sometimes you have to invest money into something in order to get the ultimate benefit from it - this is true for energy efficiency.

Jim Grady noted that the sooner the PUC gets the RFP out then the sooner we will get responses back in and then we can figure it out. He commented that there should be rapid movement on this. **Jack Ruderman** noted that the RFP should get out in the next 4-6 weeks. He noted that this is an extensive project and that we want to be thorough and get it right. He noted that he is also in charge of the rebate program as delegated in HB1628 and RPS funds, which are all complicated programs.

Chairman Ober commented that perhaps the PUC should narrow down what they are looking for so that it is not a free-for-all. We do not want to waste applicants' time.

Meredith Hatfield noted that the RFP should discuss the matter that funding will be available every quarter. So even if potential projects are not completed at the time that the RFP is released, applicants can still apply for another quarter.

Dick Henry noted that if it will take 4-6 weeks for the RFP to be released and then additional time for application review, why not make combine the first and second quarters? He noted that doing this every quarter would be very labor intensive.

Dean Christon advised the PUC not to link the RFP to any specific funding amounts - and to be more general in nature. He noted that using a phrase such as "...funding based on resources available" will not deter applicants from applying because there is only x amount available. He noted that the PUC needs to be fair in order to get the best results.

Chairman Ober noted that he would like to initiate a small steering committee out of members of the EESE board such as Dean Christon of NH Housing and the NH Charitable Foundation who have experience in the grant making process to assist the PUC with the RFP process.

Tom Rooney noted that there is confusion in the market with existing programs and that there needs to be an analysis done of the existing programs in order to locate possible gaps. The RFP should then be refined in order to compliment existing programs and mend the gaps.

Gil Gelineau noted that we need to be sure that we close the loop and make sure that people are not over promising and under delivering. It is essential to make sure that people come through with what they say they are going to do and if a project is not delivering then allow for the authority to pull the plug on it.

Jim Grady noted that we need visionaries and goal oriented people and that will be extremely important to remember when the RFP's come back. We need to remember that we do not have infinite amounts of money to spend and we should focus on maximum kWh saved for minimum amounts of money.

Chairman Ober again emphasized that this process cannot be rushed. Only now does the PUC have the GGERF rules in place and only as of the end of 2008 has Jack Ruderman taken over as the Director of the Sustainable Energy Division at the PUC. We need to make sure that we don't get this wrong - and that takes time.

Jack Ruderman noted that he would email out an update to members as to where the PUC is in the RFP process before the next meeting on February 13th.

6. Future Presentations to the Board

Meredith Hatfield has ideas for future presentations for EESE board meetings. She will email her ideas out to members once her list is completed and has requested feedback. She noted that most of the presentations of the EESE board thus far focused on efficiency and she would like some future presentations to focus on renewables.

7. Training, Outreach and Education

Charlie Niebling commented that Rome was not built in a day. He noted that we must invest in people and that training programs must be a priority because that is the only way to build a solid base for the future.

Dick Henry commented that we should determine what a reasonable amount would be for a residential home to contribute to energy efficiency in order to obtain an 80% energy reduction. He noted that people invest in their own buildings all the time and we could relay the message that instead of installing expensive granite countertops people could efficiently air seal their building instead.

Representative James Garrity noted that using players within the field might allow the EESE board to get things done at lower costs or even for free. He suggested that if partnerships are created with companies such as Lowe's or Home Depot then they could become "official partners" of any programs created. Then, we could train local NH contractors to become installers or assessors and homeowners can go through the state, which will then refer the homeowner to the contractors who then purchase materials from the sponsors at a discounted rate. He suggested that using a program such as this one would promote energy efficiency as well as create jobs.

After hearing many members express that the state should be working on training armies of contractors so that it can be prepared if federal money

should arrive, **Wes Golomb** noted that he works for the energy services and technology program at [Lakes Region Community College](#) and that they are partnering with [Manchester Community College](#) and the [NH Community Action Programs](#) (CAP) to train contractors in the energy related fields. He noted that 9 people will be trained by spring in order to provide for in-house training thereafter.

Due to time restraints, this remaining discussion of this topic was deferred to a subsequent EESE board meeting.

8. Roundtable Announcements & News

Clifton Below noted that on Thursday, January 22, 2009, he and Jack Ruderman along with DES would be going before the House Finance Committee regarding the Regional Greenhouse Gas Initiative (RGGI) and Greenhouse Gas Emissions Reduction Fund (GGERF) programs. This meeting is open to the public.

Joanne Morin commented that the public hearing for the final RGGI rules (Rules Implementing RGGI) would be held on February 4, 2009 at DES, 29 Hazen Drive, Concord, NH, and that the deadline for submitting public comments on the final rules would be February 17, 2009.

Wes Golomb noted that there was no representative from the oil industry present at the EESE board meetings and perhaps one should be invited.

9. Confirm Dates of Upcoming Meetings (Second Fridays- Monthly, 9-12 at PUC)

The next meeting of the ESSE board is scheduled for Friday, February 13, 2009 at the PUC.

Subsequent meetings are scheduled for the second Friday of every month from 9 am - 12 pm and will be held at the NH PUC, Hearing Room A, 21 South Fruit Street, Concord, NH 03301.

There being no other business to come before the board, **Chairman Ober** adjourned the meeting at 12:15 p.m.