

Minutes
Energy Efficiency and Sustainable Energy Board
Hearing Room A - NH PUC
October 16, 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 and Joanne Morin of NH OEP, Mike Fitzgerald for Robert Scott of DES, Alan Linder for Daniel Feltes of NHLA, James Robb for Roy Duddy of DRED, Michael Licata for Patti Carrier of NH BIA, Dick Henry of the Jordan Institute, Karen Rantamaki, State Energy Manager, Chris Porter for Susan Olsen of NH Municipal Association, Wes Golomb of NH SEA, Beth Fischer for Brian Wujcik of Home Builders and Remodelers Association of NH, Greg Whitman for Senator Martha Fuller Clark, and Ben Frost for Dean Christon of NH Housing & Finance.

Non-Voting Members in Attendance: Gil Gelineau of PSNH, John Puc of National Grid, Janet Brewer of Ocean Bank, James Grady of LightTec, Inc., and Charlie Niebling of New England Wood Pellet.

LINK TO MEETING AGENDA: [MEETING AGENDA](#)

1. Welcome & Introduction, Chair's Remarks

Chairman Ober convened the meeting at 9:08 A.M.; he welcomed everyone to the meeting and asked everyone in the room to introduce themselves. {Introductions followed}.

2. APPROVAL OF [SEPTEMBER 25, 2009 MEETING MINUTES](#)

Chairman Ober asked for a motion to approve the 9-25-09 minutes. Jack Ruderman moved to adopt the minutes. The motion was seconded by Karen Rantamaki. There were a few minor edits to the minutes: 1.) On Page 2 (#3), the RGGI auction proceeds were \$2.8 million and not \$2.2 million; and 2.) On the top of Page 4, the sentence should read: "These funds are to be allocated using rebates and a possible RFP solicitation" - the word possible was added.

The board proceeded to vote unanimously to approve the minutes subject to these revisions being made.

Chairman Ober requested that the November meeting be moved from November 13th to November 20th (PUC Hearing Room A) because some key legislators are unavailable to attend the 11/13 meeting and a large portion of the meeting will be discussion of legislation.

3. GREENHOUSE GAS EMISSIONS REDUCTION FUND: ROUND 1

Jack Ruderman noted that the last round of GHGERF proposals would go before the Governor & Council on Wednesday, October 21, 2009, and until then, the PUC is statutorily precluded from discussing specifics regarding any grant proposal or the process. He also noted that on October 21, 2009, the PUC would be holding its public hearing in [Docket No. DRM 08-127](#), the GHGERF rulemaking. Parties are encouraged to file written comments to the commission until the public comment deadline of October 27, 2009. The rules would then be submitted to the Administrative Rules Division in order to go before the Joint Legislative Committee on Administrative Rules on November 19, 2009.

PUC Chairman Tom Getz then spoke to the board regarding the PUC perspective on the GHGERF RFP grant review process. He noted that there were 84 proposals received requesting more than \$50 million in total. 30 proposals were awarded funding totaling over \$17 million over two years. The PUC wrestled with many issues in designing the RFP including whether to make the RFP prescriptive or flexible, and whether to limit the scope to just a few eligible categories or to include all categories specified in the RGGI legislation.

The PUC Commissioners convened a review panel consisting of Eric Steltzer from OEP, Richard Ober from the NH Charitable Foundation, and Jack Ruderman of the PUC. The reviewers worked with the Commissioners and made recommendations for funding. Final decisions were made by the Commissioners. The team was responsible for understanding each proposal and ensuring compliance with the applicable statute and rules. Then proposals were placed into categories (such as revolving loan funds, multi objective, projects, outreach and education, job training, etc).

Due to the administrative complexity of getting 30 proposals to the Governor & Council for review, the proposals were broken up into 4 G&C

meetings. The first set to be approved consisted mainly of "foundational" programs, and then grants for specific projects followed. The last set of proposals to be submitted to G&C were approved on October 21, 2009.

Chairman Getz said that he believed that the winning proposals displayed a fairly representational result of 84 proposals received. He noted that as a group the grant awards showed geographic diversity, sector diversity and variety of approaches.

He also noted that as the PUC looks ahead to the next phase of proposals, they hope to get input from the EESE board regarding: focus areas, emphasis on sectors, programs and projects, whether or not to use a series of RFP's with different concentrations, and all around strategic guidance and direction. He noted that he wanted to keep comments directed to the RFP process and not the rules since everyone would have an opportunity for public comment at the rulemaking hearing.

The matter was then opened up to board members for discussion. Some suggestions/comments received from members and guests were:

- Mike Fitzgerald recommended that the PUC focus on grant awards that result in significant reductions of carbon emissions.
- Charlie Niebling noted that he was glad that the process had more of a technology neutral approach and wondered if any cost/benefit analysis was done to see which proposals offered the 'biggest bang for the buck'. Tom Getz noted that this was looked at as one of the measures for winning proposals. He noted that it was great input but was not determinative. Going forward, he expects cost/benefit analysis to become more important since the foundation was set with the first round picks.
- Jim Grady suggested awarding more projects (vs. programs) going forward since these will be more measurable.
- Meredith Hatfield suggested that the EESE board come to a consensus regarding the high leverage priorities identified in the strategic work plan and highlight any gaps (i.e. the residential sector) and also think about how to best use all of the funding sources (such as ARRA, REF, RGGI) so that once all of the money is gone, we can be sure that we did not waste a great

opportunity. Meredith also suggested that the board talk to the PUC regarding funding of the necessary resources it currently needs and urged the PUC to look at how much money applicants really need. For example, some applicants do not need 100% GHGERF funding and have available resources to match GHGERF funds or participate in a revolving loan fund. Tom Getz noted that trying to figure out what the smallest amount of money to give to an applicant is, becomes an administrative problem in which every proposal becomes an investigation, which is very labor intensive and subjective.

- Michael Licata noted that obtaining capital for a business is not an easy task and nobody wants to fund their own project and then find out down the road that they could have received grant money to do it. He noted that this type of uncertainty can create a barrier to new projects, as businesses will be "waiting to see what happens" instead of moving forward.
- Janet Brewer agreed with Michael and noted that people do not necessarily need a financing source because they may have their own local banks that they prefer to use, the problem is that they are not ready to 'pull the trigger' on the project because they are always expecting the next thing coming to be better.
- Wes Golomb noted the importance of fitting all of the pieces of the puzzle together when awarding proposals. For example, energy auditor training is important but so is weatherization training since just having an energy audit does not actually save any energy.
- Dick Henry noted that emphasis needs to be placed on carbon reduction. There should be incentives for applicants to leverage funds and monitoring is very important after the fact to be sure that the project/program worked. He also noted that a mentoring/education requirement should be included in all awarded grants. Lastly, he noted that in regard to energy audits, it is important to try to smoke out the people who get an audit done because they are intellectually curious from the people who actually want to make the necessary changes now.

- John Puc cautioned against requiring a mentoring/education aspect in grant awards because that sometimes removed the competitive edge from the process.
- Beth Fischer urged tradesmen to ramp up and get themselves educated and credentialed in green building technologies. There is a concern that even if they invest the time and money do this there may still be no work for them. She noted that RGGI funds should also be used for policy and the PUC should figure out which resources are currently available and supplement these existing programs with funding. She noted the importance of locating the gaps in these existing programs and work on filling those gaps in.
- Gil Gelineau noted that fairness is an important consideration and urged the PUC to maximize the use of all funding sources (i.e. SBC funds). He also urged the PUC to judge proposals based on anticipated carbon reduction results and to find gaps in existing infrastructures such as revolving loan funds and make them available to all customers.
- Joanne Morin noted that you must figure out what makes a revolving loan fund work because they are no good to anyone when they just sit there. She noted the importance of funneling funds back into the economy and using revolving loan funds to guarantee that funds are available for future use. Additionally, she stressed the importance of monitoring all data.
- James Robb noted that because of the recession, demand for money is great in all areas. He noted that the precedent has been set to fund industrial projects and to be careful not to hinder that.
- Charlie Niebling urged the Commission to avoid narrowly defined prescriptive rules and to let applicants figure out what to do naturally. He also noted that projects could involve technologies that are not formally 'market ready'.
- Karen Rantamaki noted that perhaps there should be 2 RFP's, one that is structured towards programs and the other towards projects because they are different.

- Dick Henry noted that with all of the EE information circulating, such as funding sources and grants, etc, people become confused and are looking for more of an 'Account Manager Approach' and a 'Neutral Energy Counselor' to help them.
- Scott Albert urged the Commission to try to identify and fill in existing gaps in order to move the market along so that when all of this money that we currently have disappears, we still have back stops.

Chairman Ober synthesized the input and suggested six principles to summarize:

1. Balance projects and programs;
2. Link to EESE Board priorities, although not exclusively;
3. Don't prescribe too tightly in order to promote flexible thinking;
4. Recycle money back into the economy with the use of programs such as revolving loan funds, etc;
5. Don't discourage private investment; and
6. Leverage every dollar into maximum carbon reduction.

Chairman Ober called a short break at 10:59. The meeting reconvened at 11:13.

4. STRATEGIC PLAN

CHAIRMAN OBER handed out a draft version of the [EESE Board's 2010-2011 work plan](#). He requested that board members review the [Visions & Goals section](#) by November 1st and get comments to [Dick Ober](#) and [Jennifer Ducharme](#).

He also requested comments on the draft description of one of the program priorities (Coordinated Municipal Energy Program) that would then be used as a template for the other five. He asked that comments be sent to [Deborah Schacter](#) and [Dick Ober](#) with a cc to [Jennifer Ducharme](#). By October 23.

Chris Skoglund and Gil Gelineau reported on progress by a task force formed in September to review the Climate Action Plan and propose relevant numerical benchmarks and goals for the EESE Board's work plan.

This task force consists of Gil Gelineau, Chris Skoglund, Joanne Morin, Dick Henry, Dick Ober, Beth Fischer, and Jim Grady.

Chris presented slides on the [Potential EESE Board GHG Emissions Targets from the NH Climate Action Plan](#). He discussed topics such as:

- Potential Recommended Actions
- Building Combination and Electric Generation Combination Scenarios
- Climate Action Plan Emission Reduction Potential; and
- Projected Emissions and Interim Targets.

Due to time constraints, Chris was unable to present all of his slides but provided the presentation in its entirety (linked above) for everyone's information. He also provided an additional handout with [tables and sample scenarios](#) to board members and guests.

Gil Gelineau handed out a graph providing [Forecasted Emissions from Buildings and Electric Generation through 2025](#) which was created by the task force.

5. 2010 LEGISLATION UPDATE

There will be a more extensive discussion at the November EESE Board meeting when legislative members are present. Meredith Hatfield handed out a list of [possible EESE Board related House Legislative Service Requests](#) (LSR's) for the 2010 Session which was created by her office. Charlie Niebling encouraged people to follow some retained bills from the last session which also relate to EESE board matters.

6. STATE ENERGY JOB SECTOR TRAINING PARTNERSHIP

Chairman Ober spoke to the board regarding a possible ARRA funding opportunity which, if awarded, would provide \$4-6 million dollars in ARRA funding to the state for job sector training. This would require the formation of a partnership of stakeholders to sign on. The application is currently being worked on by the Work Force Opportunity Council and DRED. It is expected to move forward next week. Chairman Ober asked certain individuals if they would be willing to sign on as partners, and if so, to meet him after the meeting to sign the application. They are: Eric Steltzer, Mary Downes, Jim Grady, Gil Gelineau, Michael Licata, Beth Fischer, Jack Ruderman, Dana Nute, John

Puc, Charlie Niebling and Dick Henry. He also noted that he would sign the application. He said that all questions regarding this opportunity could contact [James Robb](#) at DRED.

7. OTHER BUSINESS

Dick Henry noted that there was a small sub-group formed to discuss the issue of pricing signals within the market. Members include Dick Henry, Bob King and Russ Aney. They asked if they could present to the EESE Board at the beginning of next year. Chairman Ober agreed.

Eric Steltzer noted that today was the deadline for the grant administrator RFP for the Energy Efficiency Conservation Block Grant Program. He also noted that the Application for the Appliance Rebate program was also submitted to DOE and that a [press release](#) would be released by OEP shortly.

Michael Licata noted that Governor David Patterson of NY is looking to withdraw \$90 million from NY's RGGI funds in order to reduce NY's budget deficit. He urged people to remember what the intended use of RGGI funds are and to be vocal if any proposals arise which would divert NH's RGGI funds from their intended purpose.

Wes Golomb stated that he had reviewed the proposed 2009 Energy Code Amendments and thought the EESE board should write a letter in opposition of [Exhibit 58](#). Dick Henry noted that if Exhibit 58 is approved, ARRA funding would be pulled from the state because DOE requires that states adopt the 2009 IECC code for buildings, or more stringent codes. Beth Fischer noted that this amendment was put in because many costs were being placed on the shoulders of the builders which in turn drives up the cost of housing. Wes Golomb noted that he would have to submit comments to the review board prior to the next meeting so if anyone would like to sign on to his letter of opposition, to contact him at wgolomb@ccsnh.edu as soon as possible.

Charlie Niebling noted that there was a NESCAUM meeting on October 22, 2009 in Boston regarding the [Low Carbon Fuel Standard in the Northeast](#). Becky Ohler noted that you must RSVP to attend this meeting because of high security at the meeting location - the Federal Reserve building in Boston, MA.

Ben Frost provided information to the board regarding the Growth & Development Roundtable which pertains to land use issues in NH. He handed out information and a [DVD](#) regarding the program and urged people to go to www.nhroundtable.net for more information. He noted that this program began in 2005 from a NH Charitable Foundation grant and that this program is now administered by OEP.

Michael Licata noted that the BIA's Energy Seminar is December 2, 2009 from 8:00 AM - 1:00 PM at the Radisson Center of NH in Manchester, NH. The keynote speaker for this event is Gordon van Welie, President and CEO of ISO New England. For more information or to register for this event, click [here](#).

Wes Golomb noted that the 3rd Annual Home Energy Conference would be taking place on November 21, 2009 from 8:30 AM - 4:30 PM at Plymouth State University. For more information or to register for this event, click [here](#).

James Robb informed the board of an informative report recently released which can be found here: [Trends in Industrial Energy Efficiency Programs: Today's Leaders and Directions for the Future](#) by Anna Chittum, R. Neal Elliot and Nate Kaufman.

Jack Ruderman noted that the PUC has completed its reports to the Electric Oversight Committee on the Renewable Portfolio Standard and the Greenhouse Gas Emissions Reduction Fund. The RPS report can be found [here](#) and the GHGERF report (including spreadsheet with all winning grant proposals, costs, cost per ton carbon reduction, etc.) can be found [here](#).

Lastly, Chairman Ober noted that if any individual ever wants an item placed on the meeting agenda, to send a request to [Jennifer Ducharme](#). There being no other business to come before the board, Chairman Ober adjourned the meeting at 12:16 p.m.

The next meeting of the ESSE board is scheduled for Friday, November 20, 2009 from 9 A.M - 2 P.M in Hearing Room A of the NH PUC.

All subsequent meetings will be held on the 2nd Friday of the month at the PUC.