

**Minutes**  
**Energy Efficiency and Sustainable Energy Board**  
**Public Utilities Commission, Concord, NH**  
**9 AM – 12:00 PM**  
**June 10, 2011 Meeting**

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

**Members in Attendance:** Richard Ober of NH Charitable Foundation, Jack Ruderman of NH Public Utilities Commission, Meredith Hatfield of the OCA, Eric Steltzer of OEP, Mike Fitzgerald for Robert Scott of DES, Wes Golomb of NHSEA, Beth Fischer for HBRANH/Build Green NH, Bob Reals, Jr. of NH DRED, Dick Henry of the Jordan Institute, Karen Rantamaki, State Energy Manager, Representative Frank Holden for Representative James Garrity, and Ken Walsh for NH Fire Marshall.

**Non-Voting Members in Attendance:** Gil Gelineau of PSNH, Debra Hale of National Grid, Carol Woods for NH Electric Cooperative

**Welcome and Introductions.** The meeting commenced at 9:08am.

**1. Minutes of the May EESE Board Meeting.**

- The minutes of the May 20, 2011 meeting were approved in “Draft” format as one member was concerned that the minutes, in relation to the discussion on RGGI, did not contain enough detail. The board will vote and approve the minutes with any amendments submitted and approved at the July 8<sup>th</sup> EESE Board meeting.

**2. Legislative Update – Representative Holden**

- HB 519 – Repeal of RGGI – The bill now states that the first dollar of allowances will go into the Core programs with the balance to be paid back to ratepayers. The House has tacked HB 519 onto the Shoreline Protection bill and will meet next week to discuss it.
- An LBA audit of the PUC, OCA and the EESE Board is set to begin soon. The duration of the audit is expected to be about 9 months. This audit is a performance audit and most state agencies go through them. Members of the Board may receive a call from the LBA. Senator Bradley is the Chair of the committee that requested this audit.

A short discussion followed.

**3. Municipal Energy Working Group – Chris Skoglund**

- The Municipal Energy Working Group and the Local Energy Committee Working Group have been meeting together for the past few months, seeking to determine how their respective efforts over the past two years might best be coordinated to avoid duplication and gaps. More detail and recommendations expected soon.

A short discussion followed.

**4. VEIC [Presentation](#) – Christine Donovan, Jim Grevatt, Todd Sbarro, George Lawrence, Jeff Taylor and Scudder Parker**

- NH is exporting billions of dollars a year on energy, and we need to reduce that amount. The goal is to increase energy efficiency and use of clean, local energy. But retrofitting for residential efficiency alone could easily be a \$6 billion investment. We need to look at ways to build on the framework that is already in place. NH has SBC resources, declining RPS, RGGI uncertainty, loss of \$60M in ARRA funding. Goal is market development and market transformation, to encourage market growth and innovation.
- This requires a coherent state energy policy and a consistent market presence over time. If one or more key ingredients are missing or not right, we will continue to meet market failure.

**A. EE Market Assessment – Jim Grevatt**

- The Core programs are exceeding goals by 30%, but there is much more room to grow. Even though customer satisfaction is high, questions arise that the goals may be set too low.
- With residential sector there have been savings left on the table. Need to look at upstream incentive models – e.g. offering retailers money to promote higher efficiency appliances. Can influence the market by using the market.
- People will more than likely buy Energy Star appliances without a rebate; raise the bar, push people to higher energy efficiency. New Hampshire’s Home Performance with Energy Star program has richer incentives than in other states - more incentive than necessary to drive participation. Market development is limited. Recommend transition to “open market” structure, open contractor enrollment, and market pricing.
- Need for enhanced customer education, and more uniformity statewide. As programs mature the budget shifts, including lowering incentives gradually.
- Regarding Commercial and Industrial sectors, savings are being captured for largest users. Need to design programs address what this market really needs. Room to grow participation of small customers. Too much focus on incentives; need to pay attention to market transformation and reduce market barriers. When looking at incentives for C&I, businesses may be more interested in simple pay back. Include 3<sup>rd</sup> party evaluation of savings.

Break taken at 10:45 - meeting resumed at 11:00

**B. SE Market Assessment – David Hill**

- New Hampshire has renewable resources: state is biomass and hydro developed, and also has wind and solar resources.
- The Climate Action Plan has done great work and points to both EE & SE together; SE and EE go hand in hand.
- New Hampshire’s RPS is similar to that of other states. NH relies on ACP’s (Alternative Compliance Payments) to fund the RPS. ACP that is too low suppresses market activity and actually raises rates.

**C. Planning and Community Energy Assessment – Jeff Taylor**

- Things have to change. We have the opportunity and the infrastructure to move forward.
- RSAs 9-A, B were written some years ago. They should be updated: e.g. “smart growth” to “sustainability.” And these laws should be applied.

- Social media tools needed for networking local energy groups.

#### **D. Funding Assessment – Todd Sbarro**

- Programs that work the best are those that use both capital and leveraging, with the financial institutions taking the risks. Public funding for loan loss reserve or guarantee, rather than direct capital, extends reach of public dollars to serve more homes.

#### **E. Policy and Regulatory Assessment – Scudder Parker**

- Seven foundational recommendations reiterated:
  - Lead by example: state government commitment and policy, strong state energy planning/leadership/coordination
  - Efficiency first -- least cost procurement
  - Decoupling and performance incentives to incent utility investments in EE/SE
  - Clear and consistent regulatory environment
  - Coordinated programs with common branding and administration
  - Public funding used to stimulate private investment (fuel-neutral fund, loan loss reserve, etc.)
  - Resourced, multi-party stakeholder advisory group with standing and expertise
- EE needs to overcome market barriers. Need to figure out what those barriers are and there needs to be a sustained effort. Need to stay in the game, keep presence in the market in a coordinated effort; be customer friendly.

#### **F. Next Steps – Christine Donovan**

- The draft report will be completed on June 30<sup>th</sup>. Will meet with the EESE Board on July 8<sup>th</sup> and will have the final report by September 9<sup>th</sup>. Public presentations will follow.

#### **5. Program Updates**

##### **Jack Ruderman**

- RFP for Commercial and Industrial renewable projects has closed. PUC received 18 proposals - everything from biomass to biofuels. No wind proposals. Requested amounts totaled far more than the allotted \$1,000,000. There is a two level screening process: the committee is Jack Ruderman, Kate Epsen, Eric Steltzer and Becky Ohler. Next phase is interviews with selected applicants and then committee findings provided to the Commissioners for final decisions.

##### **Eric Steltzer**

- Stimulus money that went to support Energy Codes and training helped to produce a radio public service advertisement that will be released shortly. Played for the group.

Meeting adjourned at 12:04 p.m.