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# New Hampshire State Energy Program Competitive Grant - Energy Efficiency Resource Standard Study





Stakeholder Session with the:

**New Hampshire  
Energy Efficiency & Sustainable Energy  
Board**

May 17, 2013

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# Agenda

1. History & Purpose
2. Contractor Team
3. Key Focus Areas and Tasks
4. What is an EERS & What is the Experience in Other States?
5. NH Stakeholder Input Thus Far
6. Top 7 Design Criteria for NH
7. Next Steps and Deliverables

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# 1. History & Purpose



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# Context

**State Energy Program** directed by NH Office of Energy and Planning (OEP) includes:

- Helping increase energy efficiency (EE) that ...
- Provides economic & environmental benefits to
  - New Hampshire Citizens
  - New Hampshire Businesses
  - New Hampshire Industries

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# History

Through a **competitive solicitation**, NH OEP sought assistance to:

“Assess the economic feasibility of increasing investment in EE thru adoption of an Energy Efficiency Resource Standard (EERS) and other policy mechanisms.”

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# History (con't)

Building on studies **commissioned by NH PUC:**

- Additional Opportunities for Energy Efficiency in NH  
“GDS Potential Study” – 2009
- Independent Study of Energy Policy Issues -  
“SB 323 Study” – 2011
- 1 of 3 Priority Recommendations from EESE Board  
review

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# Organization/Structure

- NH OEP - Prime responsibility for contract
  - NH DES - Strategic input and PM thru MOA
  - NH PUC & NH OCA – Staff engagement
  - Stakeholder Outreach & Engagement
    - Electric and Gas Utilities
    - BIA of NH
    - EESE Board
    - Policymakers
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## 2. Contractor Team



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# Contractor Team

- Vermont Energy Investment Corporation (VEIC) - Prime
  - Christine Donovan, Team Leader
  - Shawn Enterline, Economist and Utility Analyst
- GDS Associates, Inc. (GDS)
  - Scott Albert, Principal
  - Research and Analytic Staff
- Jeffrey H. Taylor & Associates, Inc. (JHTA)
  - Jeff Taylor, Planning and Stakeholder Outreach Lead

### 3. Key Focus Areas & Tasks



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# Key Focus Areas

1. What would it take to increase EE from .6% of electric sales to 1.64% (or more)?
2. What is the menu of EE savings options for achieving such a goal?
3. What is an EERS and why is it important to have?
4. What state-level policy and/or regulatory actions would be needed to create and enable an EERS in NH?

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# Key Tasks

1. Engage Stakeholders (e.g. today)
2. Research & Collect Info on Successful EERS Nationwide
3. Analyze Savings Potential, Develop Menu of Options for Achieving Savings, & Propose Ramp Up
4. Prepare Draft Report
5. Review Findings with Stakeholders & Obtain Input
6. Finalize Report & Present Findings

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**Ultimate Goal - Enact and Implement an EERS - With Your Support!**

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## 4. What is an EERS & What is the Experience in Others States?



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# What is an EERS?

Broadly defined as long-term (3+ years) EE savings goals established either as:

- **Statewide collective** targets for all electric utilities and/or for a third party administrator (NY, MD, PA, MI, OH, IL, Efficiency ME, Efficiency VT)
- **Individualized utility-specific** targets (IA, CO)

With varying levels of oversight by regulators and/or key stakeholders.

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# Overview of EERS Experience in the US

- 25 states have an EERS in place
- 4 more working on a new EERS thru DOE SEP Competitive Grants
- 13 of 20 states = 100% or more of goals
- 3 states = >90% of goals
- 3 states = < 80% of goals
- Average savings:
  - 77 kwh/capita for legislatively set goals
  - 86 kwh/capita for regulatory enforced goals

# Key Components of Successful EERS

- Clear statement of EE goal
- Clear statement requiring “all cost effective EE”
- Clear statement of what is eligible
- Establishment of complimentary policies:
  - Cost recovery
  - Performance incentives
  - Decoupling (done right)
  - Address lost revenue issue
- Collaborate versus litigate
  - Involved key stakeholders in planning prior to formal dockets
- Rigorous, independent EM&V

**“Secret sauce” – Sustained political will & commitment**

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# Additional Effective Elements

- Performance based goals for implementers w/ PA flexibility to change program design and offerings without adjudicated approval
- Sector and/or geo-targeting
- Fuel blind offerings
- TRM's as basis for savings, until replaced by smart grid data
- Include savings from EE due to Codes and Standards

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# Factors that can Limit Achieving Goals

- Stop and start EE program funding
- Opt-outs for industrial customers
- Focus limited only to ratepayer funded, utility administered programs

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## 5. NH Stakeholder Input – Thus Far



# Key Stakeholders



- Business & Industry
- Utility Managers & Program Administrators
- Energy Efficiency Technology & Service Providers
- State Regulators & Regulatory Staff
- Policymakers

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# Key Input From Stakeholders (Thus Far)

1. Establish clear baseline year & ramp up plan.
2. Identify range of options including (but not limited to) utility-administered CORE programs.
3. Do not plan for same savings from residential & C&I sectors.
4. Seek both electric & thermal savings.
5. Examine what works in nearby states, consider “fit” in NH.
6. Increase stability and predictability in policy direction.
7. Consider issue of utility lost revenue from EE.

## 6. Top 7 Design Criteria for NH



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# Top 7 Design Criteria (Thus Far)

1. Ensure approach “fits” in NH (which may mean it is unique & customized to the state).
  2. Build upon successes of existing NH programs (eg CORE).
  3. Leverage successes in other jurisdictions (eg MA, RI, +/-or CT).
  4. Focus first on voluntary, knowing a blend may be needed.
  5. Seek options that are scalable.
  6. Increase stability & predictability in policies/regulations.
  7. Include market-based approaches that expand infrastructure and are sustainable over the long term.
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# Examples of Potential Funding Sources (Theoretical)

- Ratepayer supported EE funds (SBC)
- State treasury funds
- State bonding authority
- Rate case recovery
- Tariff riders
- Business tax credits
- What's missing?

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# 7. Next Steps and Deliverables



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# Deliverables & Due Dates

- Draft Report - June 30, 2013
- Final Report - August 31, 2013
- Public Presentations - September 2013
- Legislative/Regulatory Activity – Next Winter

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# Q&A and Discussion



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# For More Information

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