

Energy Efficiency and Sustainable Energy Board – Independent Energy Study (SB 323) Final Report Summary

“Energy is the lifeblood of the economy and all citizens in New Hampshire depend on energy to carry out their work and conduct their lives.” (Executive Summary Page 1)

The Energy Efficiency and Sustainable Energy (EESE) Board has completed its review of the independent energy policy study required by SB323 and submits the following recommendations as required by the same.

The Independent Energy Study was conducted by the Vermont Energy Investment Corporation (VEIC) and submitted to the PUC and Legislature in fourteen chapters and more than 300 recommendations. The EESE Board create a Study Review Team, broke down the initial work effort into individual chapter teams and proceeded with a series of meetings and work sessions over the past ten months.

The overarching result of the study and review is that residents and business owners in New Hampshire could benefit significantly from increased investment in energy efficiency and sustainable energy measures that reduce or stabilize future energy bills, increase reliance on local energy resources and stimulate the state economy.

In its review the EESE Board identified several key themes that frame the recommendations.

- **The current energy policy environment, while generally positive, is fragmented and subject to frequent modifications.** Consumers would benefit from a more comprehensive and consistent approach in program offerings, stability in program funding and a single lead entity within state government.
- **Policy and program choices should consistently focus on supporting market infrastructure and development.** The goal is for policies and programs to encourage functioning market structures that provide consumers and businesses with more options and better choices that achieve the long term energy priorities of efficiency, sustainability, lower costs and reduced uncertainty. Stable and predictable market structures facilitate the ability of private entities to plan for and invest in energy efficiency and sustainable energy projects.
- **Judicious increases in funding and staff support in some areas would provide significant added benefits to the state and its consumers.** The state has achieved significant positive results in energy efficiency and renewable resource development with limited direct financial resources largely as a result of positive collaboration and commitment to cost-effectiveness. However, financial constraints also impact the ability of many initiatives, such as the state’s Interagency Energy Task Force, Low-income Weatherization and the CORE utility programs, to achieve the full potential of projects and energy savings.
- **Energy policies and programs would benefit from increase coordination and some degree of centralization to improve efficiency and effectiveness.** State energy policy should support and expand collaborative efforts already underway, such as the utility CORE energy efficiency program and the NH Energy Code Collaborative, and work to create a more stable and sustained regulatory and administrative framework for continued evolution.

On the basis of its detailed review and assessment, the EESE Board offers the following recommendations as key priorities for implementation.

- First, **clear articulation of a comprehensive energy policy in support of energy efficiency and renewable resource development** would be of significant long-term benefit to the state. A consistent overarching energy policy for the state can be used as the framework to guide future decision-making by the state, other government entities and the broader marketplace.
- Second, the EESE Board recommends that the state **move toward the development of an Energy Efficiency Resource Standard (EERS)** as a means to promote cost-effective energy

efficiency as the first priority energy resource of choice for New Hampshire. There are a variety of approaches for implementing EERS. The key requirement is to define an entity and a process for setting energy efficiency goals and targets and a mechanism for coordinating and evaluation progress. The CORE utility programs could serve as a foundation and while the NH PUC could potentially move toward EERS under its current regulatory authority, enabling legislation would be a significantly more powerful tool.

- **Third, the Renewable Portfolio Standard (RPS) is a key policy supporting renewable resource development that the state should seek to sustain and continue to improve** through incremental changes in the underlying statutory and regulatory framework. Continued assessment and refinement of compliance standards and alternative compliance payment levels will be necessary in response to changing market conditions. The responsibility for adjustments should be delegated to a regulatory process relying on quantitative analysis and effective stakeholder representation. Efforts to prioritize development of in-state resources should continue and state policy should affirm that the RPS is a long-term market structure with stable rules and requirements that will apply after 2025.

The EESE Board also has a number of discrete recommendations that are more modest but which provide excellent near term opportunities for implementation. These include:

- For the NH Low Income Energy Efficiency Programs, complete the implementation of Shared IT Resources and Common Reporting Standards to the extent possible consistent with funding agency requirements (Chapter 6)
- Improve the coordination of Existing Energy Efficiency Loan Programs as the ARRA funded programs begin winding down by continuing to pursue collaborative efforts among program administrators. (Chapter 10)
- Clarify in law that the NH RPS program will continue beyond 2025, in recognition of the commercial financing needs of prospective renewable energy projects (Chapter 7)
- Provide the Resources Necessary to Complete the Statewide Growth Plan mandated by RSA 9-A. (Chapter 11)
- Given the passage of SB 252 extending the maximum length of Performance Contract Terms for state agencies, identify high-value projects that can move forward on an expedited basis. (Chapter 13)

In several areas, the EESE Board has determined that many excellent recommendations from the Independent Energy Study are already being considered and in some cases implemented in the context of existing regulatory, programmatic or stakeholder initiatives. These include recommendations from Chapter 4 Residential Energy Efficiency, Chapter 12 Energy Codes and Chapter 13 Government Leading by Example. The details of these recommendations are discussed in the Chapter Synopses prepared as working documents by the review team.

Finally, the EESE Board is making a number of specific recommendations that have not been highlighted in this narrative but are nevertheless felt to be excellent recommendations that should be pursued. A summary of all of the EESE Board recommendations, including those not referenced in this overview, is provided in the Recommendation Matrix at the end of the Final Report.

For additional information and more detail on these recommendations the EESE Board suggests referring to the Independent Energy Study Final Report, the Recommendation Matrix and the individual Chapter Synopses all attached to this summary.