

New Hampshire Public Utilities Commission



RESULTS AND EFFECTIVENESS OF THE SYSTEM BENEFITS CHARGE

ANNUAL REPORT

October 1, 2015

Submitted to:

**THE LEGISLATIVE OVERSIGHT COMMITTEE
ON ELECTRIC UTILITY RESTRUCTURING**

Representative Herbert Richardson
Senator Dan Feltes
Senator Andy Sanborn
Representative Robert Backus
Representative Jacqueline Cali-Pitts
Representative Robert Introne
Representative James Devine

and to:

THE NEW HAMPSHIRE DEPARTMENT OF EDUCATION

Commissioner Virginia M. Barry

RSA 374-F:4, VIII SYSTEM BENEFITS CHARGE

The New Hampshire Public Utilities Commission (Commission) hereby submits to the Legislative Oversight Committee on Electric Restructuring its annual report on the results and the effectiveness of the system benefits charge (SBC).¹ The SBC is assessed on all electric customers to fund public benefits related to the provision of electricity. The current SBC is \$0.0033 or 3.3 mills per kilowatt-hour (kWh) and supports energy efficiency and low income bill paying assistance. For a residential customer using an average of 650 kWh per month, the SBC is \$2.15 per month. While the initial charge and allocation of the SBC between energy efficiency and low income programs was designated by the legislature, the current law sets a cap on the low income portion (1.5 mills per kWh) but sets no cap on the energy efficiency portion or the charge overall. Nevertheless, the Commission has not raised the overall SBC level since 2001.²

Energy Efficiency

The SBC funds energy efficiency measures known as the Core programs operated by the state's regulated utilities: Unitil Energy Systems, Granite State Electric Company d/b/a Liberty Utilities, New Hampshire Electric Cooperative,³ and Public Service Company of New Hampshire d/b/a Eversource Energy, pursuant to budgets and program terms established by the Commission. Each utility also offers a few non-Core programs specific to its own customers' needs, also funded by the SBC. Gas utilities also provide energy efficiency programs, funded by ratepayers in a similar fashion, and the Commission now oversees the natural gas and Core programs in a coordinated fashion. The Core programs, the result of an extensive collaborative effort, began in June 2002. Since then, approximately \$257million has been expended on providing energy efficiency measures, with expected energy savings of over 12.0 billion kWh over the lifetime of the measures. Core programs saved energy at an average cost of approximately 2.26 cents per lifetime kWh over the 2002-2013 time period, as compared to the July 2013 average electricity retail price of 13.99 cents per kWh.⁴

In 2014, the utilities supplemented the SBC-funded energy efficiency programs with an additional \$2.6 million from the ISO New England (ISO-NE) Forward Capacity Market (FCM) auction. These additional funds are the result of the SBC-funded energy efficiency programs receiving credit for the capacity value they provide as part of the FCM.⁵ Together, the portion of

¹ This report is filed pursuant to RSA 374-F:4, VIII (f). The SBC is authorized by RSA 374-F:3, VI and RSA 374-F:4, VIII.

² The energy efficiency component of the overall SBC is \$0.0018 per kWh. This recovery mechanism was authorized by the Commission on November 29, 2001 in Docket No. DE 01-057, Order No. 23,850.

³ Though not fully regulated, the New Hampshire Electric Cooperative's provision of SBC-funded programs is subject to Commission oversight.

⁴ See Commission website, Docket No. DE 14-216 for [2015-2016 New Hampshire Statewide Core Energy Efficiency Plan](#). See page 2.

⁵ For additional information on Capacity Supply Obligations and the Forward Capacity Market, go to [ISO-NE](#).

the SBC dedicated to energy efficiency and the FCM funds produced \$22.0 million for the 2014 program year.⁶

During 2012, the Commission ordered that the Home Performance with Energy Star (HPwES) program move from a pilot to a full Core program.⁷ HPwES is the fuel-neutral weatherization program that provides home energy audits, air sealing, insulation and duct sealing to homes with high energy usage, irrespective of income.⁸ It has been a heavily subscribed program, resulting in savings to homeowners in both their electric usage and their overall heating bills. As the Core programs have matured over the years, there are fewer homes with electric heat targeted to receive these funds. The HPwES program has also been attractive to households that heat with oil and other fuels, however, and the HPwES audits and insulation measures provide impetus for homeowners to participate.

In 2013, SBC and FCM funds were augmented by additional monies due to the passage of House Bill 1490 (Chapter 281 of the Laws of 2012), which became law on June 23, 2012. This bill amended the Regional Greenhouse Gas Initiative (RGGI) provisions of RSA Chapter 125-O to require that one dollar of each RGGI allowance sold, net of administrative costs, be turned over to the electric utilities for Core programs, and the remaining proceeds be refunded to ratepayers. Effective January 1, 2014, Senate Bill 123 requires that the utilities allocate up to \$2,000,000 per year to be used by municipal and local governments for energy efficiency, and that at least 15 percent be used for the income-eligible Home Energy Assistance (HEA) program.

In 2014, the enactment of Senate Bill 268 required that any RGGI funds remaining after allocation to the municipal program and the income-eligible program be allocated to all-fuels, comprehensive energy efficiency programs administered by qualified parties, which may include electric distribution companies, to be selected through a competitive bid process. The combined SBC funds, FCM funds, and RGGI funds produced \$28.0 million for the 2015 Core programs.⁹

Important policy goals guiding program design include achieving cost-effective energy savings and transforming the market for energy efficiency measures. Demand response programs, by which customers are compensated for reductions in their energy use at certain times, is another area of focus gaining increasing attention in recent years. Demand response programs create a financial incentive to reduce customer usage during peak load periods. Demand response enhances reliability and helps to dampen high electricity prices during those peak periods. Historically, qualifying demand response programs and energy efficiency measures that reduce peak load were able to receive capacity payments through the FCM. Capacity payments are administered through ISO-NE as the regional system operator, and serve as an additional incentive to develop targeted demand response.

⁶ Source: [2014 Core Program Update](#), page 2.

⁷ For detail on the Commission's ruling regarding HPwES, see [Order No. 25,402 \(August 23, 2012\)](#)

⁸ The Home Energy Assistance (HEA) program is the weatherization program that serves income-eligible households.

⁹ Source: Commission website, Docket Book, Docket No. DE 14-216, 2015-2016 Core New Hampshire Energy Efficiency Programs, [Revised December 11, 2014, page 21](#).

The Core programs are divided between programs for residential customers and programs for commercial and industrial (C&I) customers. As reflected in the table below, program budgets are allocated to residential and C&I customers roughly in proportion to their respective SBC payments. Approximately 15 percent of the overall Core budgets are allocated to the HEA program. All customers contribute proportionately to the HEA program, which provides weatherization and energy efficiency measures for low income customers, often in coordination with and as a supplement to U.S. Department of Energy weatherization assistance funding (WAP).¹⁰ The HEA program is administered by the utilities in conjunction with the New Hampshire Community Action Agencies (CAA).

The primary residential Core programs are:

- ENERGY STAR® Homes, a fuel neutral program under which builders and homeowners are encouraged to construct more energy-efficient new homes using the Home Energy Rating Service (HERS)
- Home Performance with ENERGY STAR® (HPwES), which provides weatherization measures, including home energy audits, air sealing, insulation, and duct sealing, for homes with high energy usage
- Home Energy Assistance (HEA), which provides weatherization and energy efficiency measures for income-eligible customers
- ENERGY STAR® Products. In 2014, the ENERGY STAR® Lighting and the ENERGY STAR® Appliance programs were combined into a single program called ENERGY STAR® Products. The Lighting program increases the use and availability of energy efficient lighting products, such as compact fluorescent bulbs, to replace less efficient traditional bulbs. The Appliance program provides incentives for customers to purchase Energy Star® rated appliances, increases consumer awareness of energy efficient appliances, and provides gas utility customers incentives to purchase Energy Star® heating and hot water equipment and controls
- Educational programs, other than those within the Core programs, such as energy education for students and pilot efforts to explore new program offerings, such as the use of heat pumps and geothermal systems

The primary C&I Core programs are:

- Small Business Energy Solutions, which provides small to medium sized electric and natural gas customers with incentives to install or upgrade to more energy efficient electrical, mechanical, and thermal systems or equipment such as lighting and hot water measures
- Large Business Energy Solutions, which provides large gas and electric customers with incentives to install or upgrade to more energy efficient electrical, mechanical, and thermal systems or equipment

¹⁰ WAP funds are received during the last quarter of the year and expended over the subsequent six-month period. Additional information on the amount and timing of WAP funds can be found on the [OEP](#) website.

- Municipal Program, which leverages the NH Electric Utilities' existing commercial and industrial programs; incorporates a fuel blind component; and encompasses a flexible approach for technical assistance
- Education, pilot efforts to explore new program offerings for C&I customers, energy code training, and commercial energy auditing

The following table summarizes the 2015 programs and related goals that are supported by the SBC funds, including FCM and RGGI funds:

2015 NH Core Program Goals¹¹

NH CORE ENERGY EFFICIENCY PROGRAMS	EXPENSE¹² (\$)	LIFETIME kWh SAVINGS	NUMBER OF CUSTOMERS
Residential			
ENERGY STAR® Homes	\$1,497,511	33,355,649	370
HPwES	\$2,786,620	5,656,971	711
Home Energy Assistance	\$3,841,493	7,052,057	394
ENERGY STAR® Products ¹³	\$ 3,538,585	134,218,663	134,304
Other, including education	<u>\$ 623,217</u>	<u>4,589,501</u>	<u>25,000</u>
Total Residential	\$12,287,426	184,872,841	160,779
Commercial & Industrial			
Small Business Energy Solutions	\$3,525,227	134,204,168	804
Large Business Energy Solutions	\$6,826,303	338,067,599	432
Municipal Program	\$2,000,000	51,500,073	261
Other, including education	<u>\$1,401,937</u>	<u>36,597,730</u>	<u>12</u>
Total C & I	\$13,753,467	560,369,570	1,509
TOTAL	<u>\$26,040,893</u>	<u>745,242,411</u>	<u>162,288</u>

A mid-year overview of the 2015 Core program highlights, shown below, demonstrates that they are being implemented successfully and are on track to achieve annual targets. Through June 2014, participation is 49% of the annual goal and electric savings are 50% of the annual goal.

¹¹ Source: Commission's website, Docket Book, 2014 Dockets, DE 14-216, [Exhibit No. 3 Attachments](#), Attachment N, page 221-223.

¹² Expenses represent program implementation expenses and exclude utility performance incentives.

¹³ Number of customers represents appliance and lighting products (on average 4 bulbs per customer).

**Core NH Program Mid-Year Overview
January 1 - June 30, 2015
Highlights¹⁴**

NH CORE ENERGY EFFICIENCY PROGRAMS	EXPENSES (\$)		SAVINGS (Lifetime kWh)		NUMBER OF CUSTOMERS	
	Actual	Percent of Budget	Actual	Percent of Budget	Actual	Percent of Budget
<u>RESIDENTIAL (nhsaves@home)</u>						
ENERGY STAR® Homes	\$ 422,798	28%	5,005,428	15%	57	15%
HPwES	\$1,761,983	61%	23,776,821	420%	1,682	236%
Home Energy Assistance	\$1,591,533	41%	6,195,299	88%	328	83%
ENERGY STAR® Products	\$1,147,741	34%	53,691,066	40%	52,545	39%
Other, including education	<u>\$ 200,766</u>	<u>17%</u>	<u>3,507,013</u>	<u>76%</u>	<u>25,000</u>	<u>100%</u>
TOTAL RESIDENTIAL	\$5,124,821	42%	92,175,627	50%	79,612	50%
<u>C & I (nhsaves@work)</u>						
Small Business Energy Solutions	\$1,916,257	54%	92,425,604	69%	323	40%
Large Business Energy Solutions	\$2,246,694	33%	167,642,618	50%	100	23%
Municipal Program	\$ 647,140	32%	20,240,889	39%	60	23%
Other, including education	<u>\$ 241,916</u>	<u>39%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL C & I	\$5,052,007	37%	280,309,111	54%	483	32%
	\$10,176,828	39%	372,484,738	50%	80,095	49%

The Commission requires that all energy efficiency measures be cost-effective. The standard measure of cost-effectiveness is to compare the value of the savings achieved over the life of the measure against the projected cost per kWh the utility would have had to provide if not for the efficiency measure. The lives of the measures differ depending on the measure installed. The cost that the utility avoids is based on detailed forecasts and analysis of the factors affecting New England's electricity markets; thus, the calculations are complex. Over the years, however, the Core programs have demonstrated consistent cost-effectiveness. For 2015, the utilities estimated an average benefit-to-cost ratio of 1.9:1, using the net present value of total economic benefits compared with the total costs to both utility and customer.¹⁵ Core Electric Utility Program results indicate that the cost per kWh saved has increased since 2003, the first full year of the Core programs, but is still less than the avoided energy supply costs used to screen

¹⁴ Source of highlights is the Commission website, Electric Division, Core Programs [Second Quarter Report](#), Docket DE 14-216, Tab 54, pages 1-3. Lighting customer numbers are based on the sum of appliance customers and total bulbs (with total bulbs installed divided by 4.0 bulbs per customer).

¹⁵ The benefit-to-cost ratio of 1.9:1 is the composite of the four electric utilities, as proposed in Docket DE 14-216, [Year 2015](#), pages 101, 117, 127, 137.

programs. The estimated cost per kWh saved in the year 2013 was 3.25 cents per kWh.

On September 12, 2014, the 2015-2016 Core program proposals were filed.¹⁶ Based on the projected costs of energy in the 2014 filing, the utilities estimate a cost per lifetime kWh saved of approximately 3.76 cents,¹⁷ while the avoided cost of supply is approximately 6 cents per kWh. The expected increase in cost per kWh saved is not because the programs are more expensive or less effective but because the measures being installed often involve homes that heat with sources other than electricity, and thus the electricity cost savings are less although the total heating costs borne by customers may be greatly reduced. Further, there are ancillary electric savings to customers as a result of greater air sealing, insulation, and more efficient appliances. In addition, demand reductions from energy efficiency help to avoid additional and costly transmission and distribution system upgrades that are borne by all ratepayers. Further, the construction of new generation to meet increasing capacity needs is usually more expensive than average existing generation costs; investment in new generation to meet increased demand tends to raise retail rates over time. Investments in energy efficiency and demand response therefore continue to be a cost-effective means to address increasing load requirements.

The 2014 Core filing also incorporates the requirements of Senate Bill 123. This bill requires that at least 15 percent of revenues received from the sale of RGGI allowances (not rebated to ratepayers) be allocated to the Core energy efficiency programs for low income customers. In addition, this legislation requires that, beginning on January 1, 2014, the utilities shall allocate up to \$2,000,000 per year of the RGGI proceeds annually to be used by municipal and local governments. The recent enactment of Senate Bill 268 requires that any remaining RGGI funds, after the allocations to the municipal program and the income-eligible program, be allocated to all-fuels, comprehensive energy efficiency programs administered by qualified parties, which may include electric distribution companies as selected through a competitive bid process.

Energy Efficiency Investment In Public Schools

RSA 374-F:4, VIII-a requires that the electric utilities submit plans for program design, and/or enhancements, and estimated participation that maximize energy efficiency benefits to public schools, including measures to enhance the energy efficiency of public school construction or renovation projects that are designed to improve indoor air quality. The following table shows the results for 2014 and January through August results to date for 2015 energy efficiency measures in New Hampshire public schools.

¹⁶ Source: Commission's website, Docket Book, 2014 Dockets, Docket DE 14-216, [2015-2016](#) NH Statewide Core Energy Efficiency Plan.

¹⁷ Source: Docket DE 14-216, [2015-2016](#) NH Statewide Core Energy Efficiency Plan, page 7.

Overview of 2014 and January 1 to August 31, 2015 Energy Efficiency Measures in New Hampshire Public Schools					
Year	Measure Type	Number of Projects	Total Incentives	Project Cost	Annual kWh Savings
2014	Cooling	7	\$52,400	\$91,971	226,246
	CUSTOM	3	66,417	169,960	462,148
	CUSTOM-Lighting	0	0	0	0
	Heating	2	5,765	80,900	1,589
	Lighting	60	442,680	1,451,808	1,381,335
	Parking Lot lights	5	21,204	45,852	57,181
	Refrigeration	15	26,090	60,285	87,849
	Motors	3	626	1,790	4,993
	VFD	1	1,875	2,500	3,345
2014 Total		96	\$617,057	\$1,905,066	2,224,686
Jan-Aug 2015	Cooling	0	\$0	\$0	0
	CUSTOM	19	250,069	50,047	54,504
	CUSTOM-Lighting	0	0	0	0
	Heating	1	7,725	67,650	0
	Lighting	38	712,728	1,395,769	1,493,271
	Refrigeration	7	14,495	28,910	37,026
	Motors	0	0	0	0
VFD	0	0	0	0	
2014 Total (including in-process)		65	\$985,017	\$1,542,376	1,584,801
Grand Total		161	\$1,602,074	\$3,447,442	3,809,487

Considerations for Future Program Design

According to a 2009 study by GDS Associates,¹⁸ a substantial amount of cost-effective energy efficiency savings continues to be achievable in both the residential and the C&I sectors in New Hampshire. The GDS study provides design and implementation information useful for energy efficiency program improvements.

¹⁸ The GDS Final Report is available on the Commission's website [here](#).

In 2010, the Legislature directed the Commission to contract for an independent, comprehensive review of energy efficiency, conservation, demand response, and sustainable energy programs and incentives, including recommendations for improvements. The Commission selected the Vermont Energy Investment Corporation (VEIC), through a competitive bid process, to undertake this review. The VEIC report¹⁹ was delivered to the Legislature in September 2011 and has been used by Core docket participants when evaluating program offerings.

In 2014, the Commission initiated an informal, non-adjudicative stakeholder process regarding the potential for a New Hampshire Energy Efficiency Resource Standard (EERS). The Commission directed its Electric Division staff to develop a preliminary EERS straw proposal report and to initiate an informal, non-adjudicative process to solicit feedback from members of the Energy Efficiency and Sustainable Energy Board and other key stakeholders. The [report](#) was submitted to the Commission in February 2015. Subsequently, the Commission opened a proceeding to establish an EERS, [Docket No. 15-137](#), that sets specific targets or goals for energy savings that utilities must meet in New Hampshire. .

Recognition and Awards Attributable to Core Energy Efficiency Programs:

ENERGY STAR® Awards

In 2015, the U.S. Environmental Protection Agency (EPA) recognized the NH Core Utilities with its highest ENERGY STAR award, the 2015 Partner of the Year – Sustained Excellence Award, demonstrating a strong commitment to energy efficiency through superior energy efficiency achievements and continued leadership in protecting the environment. Specifically, the NH Core Utilities were honored for excellence in implementation of the ENERGY STAR Certified Homes program, including certifying and providing incentives for nearly 500 homes in 2014, conducting builder and consumer energy efficiency training, and adding more than three dozen new builder partners and HVAC contractors to the New Hampshire program. This recognition represents a significant collaborative effort between the NH Core Utilities and the building trades in New Hampshire who assist with the delivery of this program.

New Hampshire's First ENERGY STAR Multifamily High-Rise - ENERGY STAR Homes Program

The Cotton Mill Square Apartments, developed in a historic 1905 warehouse in downtown Nashua by The Stabile Companies, earned an ENERGY STAR label in December 2014. This is New Hampshire's first ENERGY STAR multifamily high-rise, and is the second multifamily high-rise in New England to earn this rating. This distinction was eight years in the making and involved meticulous planning and construction for the total rehabilitation of the building. The residents of the 108 apartment units, fifty-one percent of which are reserved for low to moderate income families, now enjoy comfortable homes with lower energy bills. Efficiency highlights include:

- ENERGY STAR certified refrigerators, dishwashers, light fixtures and windows;

¹⁹ The VEIC Report is available on the Commission's website [here](#).

- Highly efficient, ductless mini-split electric units for heating, cooling and hot water;
- Highly efficient plumbing fixtures using less water than required by state code; and
- Exterior walls lined with R21 spray foam insulation.

LED Streetlights in New Hampshire

Manchester is the first city in New Hampshire to install efficient LED streetlights thanks to an agreement that was approved by the PUC between the City of Manchester, and Eversource. The installation of approximately 9,000 new LED streetlights began in April 2015 and is expected to be completed in September 2015. This energy efficiency project earned an incentive through the NH Core Energy Efficiency Programs and is expected to save the city more than \$500,000 each year in energy and maintenance costs, and reduce energy usage by 60 percent.

Northeast Energy Efficiency Partnership (NEEP) Award

The NH Core Utilities regularly recognize the significant energy efficiency achievements of their customers. The following business customers were nominated by their respective utility and will be recognized by NEEP for their outstanding efforts to advance energy efficiency at the NEEP Summit on November 12, 2015 at the Omni Mt Washington Hotel:

The Holderness School (2015 Northeast Business Leader for Energy Efficiency and Business Leader State Champion): The Holderness School, a private, co-educational school for grades 9-12, puts energy efficiency at the heart of its projects and has participated in the NH Core programs. Holderness has achieved an annual savings of over 191,000 kWh and an annual cost savings of nearly \$30,000.²⁰

Concord Hospital (2014 Northeast Business Leader for Energy Efficiency): Since 2006, Concord Hospital has completed a variety of natural gas and electric energy efficiency projects, resulting in natural gas annual savings of 179,000 therms and electric annual savings of approximately 3.7 million kWh. The combined energy savings corresponds to an annual cost savings of approximately \$720,000.

Dartmouth College (2014 Northeast Business Leader for Energy Efficiency): Dartmouth's far-reaching commitment to energy efficiency has resulted in annual savings of nearly 2.9 million kWh and about \$300,000 in annual electricity costs.

DevTech Labs, Inc. (2014 Northeast Business Leader for Energy Efficiency): DevTech Labs has taken part in the NH Core programs since 2002 and has completed 15 energy efficiency projects, yielding annual savings of approximately 2.9 million kWh, or about \$351,000 annual savings in electricity costs.

²⁰ In addition, the Holderness School anticipates annual fossil fuel savings of approximately \$20,000 from a Core weatherization project and heating system upgrade.

New Brewery Facility Designated as ‘Comprehensive Project of the Year’ thanks to Energy Efficiency Accomplishments

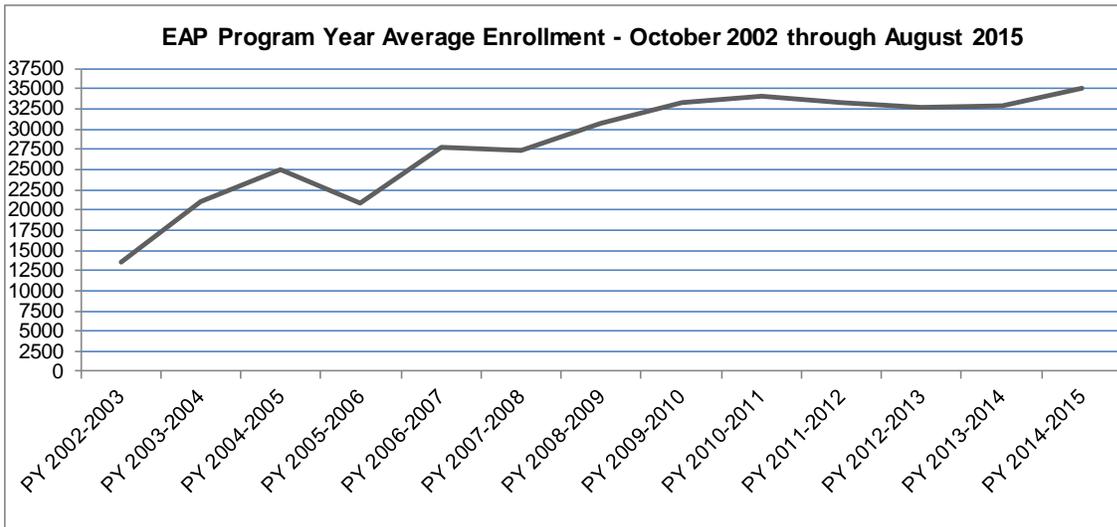


Smuttynose Brewing Company partnered with Until to participate in NH Core Energy Efficiency programs while designing their new base of operations in Hampton. Solar tubes provide natural light while smart LED lighting automatically serves remaining visibility needs. Advanced mechanical solutions like a variable speed compressed air system maximize brewing efficiencies, and a tight building envelope assists heating and cooling recovery systems throughout the facility. In total, these solutions will save a projected 11 million kWh over the lifetime of the equipment and an estimated \$2.3 million in energy cost savings over time. The Association of Energy Engineers recognized Smuttynose Brewery’s accomplishments by designating the company its “Comprehensive Project of the Year” out of a pool of project candidates from all over New England. The project is an exciting and progressive example of what NH Core programs can achieve.

Electric Assistance Program

RSA 374-F:4, VIII (c) authorizes funding of a low income electric assistance program through the SBC. Customers of Eversource, Liberty Utilities, New Hampshire Electric Cooperative and Until Energy Systems support the Electric Assistance Program (EAP) through a per kWh charge on electric bills. Approximately \$16M is collected each year through the low-income portion of the SBC to provide bill assistance to low-income households in New Hampshire. The EAP began on October 1, 2002 and will complete its thirteenth year of operation on September 30, 2015. Currently, there are approximately 33,200 households receiving this benefit; however, over the past thirteen years more than 296,000 households have received assistance from the EAP.

The need for and resulting enrollment in the EAP has grown over the past thirteen years with enrollment levels increasing somewhat over the past eleven months. The average annual enrollment for each program year is shown in the chart below.



Monthly enrollment in the EAP varies, with the highest enrollments occurring over the winter months and lower enrollments in late spring and early summer. The larger monthly fluctuations in enrollment seen in 2012 and 2013 have been reduced, a change that can be attributed in part to the increase in the income eligibility threshold to 200% of the federal poverty guidelines and a process change which allows customers who visit the Community Action Agencies to apply for the federally funded Low Income Home Energy Assistance Program (LIHEAP) to recertify their eligibility for the EAP early thereby eliminating the need for a subsequent visit.

Monthly Enrollment												
	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2012	33,823	34,340	34,312	34,554	34,803	32,418	31,395	30,718	30,625	30,867	31,275	31,903
2013	33,046	34,202	34,445	34,006	33,613	32,747	32,346	31,814	31,426	31,161	31,546	32,420
2014	33,372	34,015	34,066	34,279	33,537	33,094	32,617	32,653	32,943	33,355	34,149	34,987
2015	35,888	36,511	36,314	36,344	35,921	34,760	34,376	33,929	n/a	n/a	n/a	n/a

The enrollment fluctuations in 2012 and 2013 resulted in larger balances in the EAP fund than have been typical. To reduce the EAP fund balance and provide additional assistance to low income households in the state, the Commission adopted two changes to the EAP in March 2014. The first change increased the income eligibility threshold for the EAP so that households with incomes at or below 200% of the federal poverty guidelines would be eligible for the program. This change increased the number of low income households eligible to participate in the EAP and also brought the EAP income eligibility level in line with the LIHEAP. This change was a long-term change to the income eligibility level. The second change, an increase in the discount percentages for three of the five discount tiers, was a short-term, temporary change.

Recognizing the impact that the higher 2014-2015 winter default energy service rates would have on customers and particularly lower income customers, the Commission approved a grant from the EAP fund to the utility funded Neighbor Helping Neighbor (NHN) and Project Care programs for the 2014-2015 winter. See Order No. 25, 749 in DE 14-337. In total, the grant provided \$100,000 to be used by the two programs to provide \$200 in assistance to each customer who applied for and met all existing eligibility criteria associated with the programs, as well as additional Commission-mandated criteria, with one exception. The existing NHN eligibility guidelines restrict eligibility to those customers who have not received assistance from NHN in the past 24 months. For the purposes of this grant, receipt of assistance from NHN in the prior 24 months would not restrict a customer's eligibility for assistance. In addition to the income-eligibility threshold, the Commission required customers to demonstrate evidence of financial hardship (i.e., facing electric utility disconnection).

Reports received from Project Care and Neighbor Helping Neighbor reveal that this one time grant from the EAP fund provided bill assistance to 59 low-income households and 442 low-income households respectively. All administrative costs incurred were absorbed by the utilities, ensuring the most assistance possible was provided to low-income households.

In the next few months, the Commission anticipates receiving recommendations from the EAP Advisory Board for new discount percentages and any other needed programmatic changes. The current balance in the EAP account is \$1,119,583. The surplus which accumulated during 2012 and 2013 has been reduced significantly, and the temporary changes to the program implemented in 2014 will need to be revisited. The discount percentages should still target more assistance to those with lower income levels and less assistance to those with higher income levels, and the changes should ensure future sustainability of the EAP within the current funding level of 1.5 mills per kWh.

During the past 11 months, approximately \$14.89 million in funding was collected for the EAP, and approximately \$14.93 million was distributed in bill assistance to customers. Administrative costs of approximately \$1.84 million were incurred by the New Hampshire Community Action Agencies (CAA), the electric utilities, and the Office of Energy and Planning (OEP).²¹ As program administrator, the CAA performs activities such as client outreach and intake, application processing, enrollment of participants, and periodic review of ongoing program eligibility. The CAA also conducts compliance monitoring to ensure adherence to program guidelines. Utility incremental costs generally include expenses for the production and printing of educational materials, such as posters and brochures, customer service, legal services, and information technology support, and represent those expenses that would be reasonably incurred as part of the utility's administration of the EAP, but would not be incurred in the absence of EAP administration. Expenses included in the OEP budget relate to OEP's participation in EAP Advisory Board meetings and other EAP related discussions. The Commission does not charge the EAP for its oversight of the program.

²¹ Of the approximately \$1.85 million in administrative costs paid during the first 11 months of the 2014-2015 EAP program year, \$1,833,436 was paid to the CAA, \$7,821 was paid to the utilities and \$3,109 was paid to OEP.

EAP Financial Information October 1, 2014 through August 31, 2015*					
Balance in EAP fund on 10/1/14	SBC revenue for EAP	Interest	Benefits paid	Administrative costs	Balance in EAP fund on 8/31/15
\$ 2,897,133	\$14,888,273	\$1,395	\$ 14,925,167	\$1,844,366	\$1,019,474

*Revenue and benefits for a given month are not reflected in the EAP fund balance until the following month.

Information regarding the number of program participants and the amount of benefits paid, broken out by town, for the current EAP program year can be found in Attachment A. There has not been a waiting list for the EAP since May 27, 2012. Based on projections, a waiting list may need to be implemented during the 2015-2016 EAP program year. As of September 23, 2015, 33,188 households were enrolled in and receiving benefits from the EAP. Enrollment by discount tier and poverty level is shown in the table below.

Discount Tier	Poverty Level	Number of Households Enrolled as of 9/23/2015
6	Under 75%	6,443
5	76% - 100%	7,243
4	101% - 125%	6,303
3	126% - 150%	5,832
2	151% - 200%	7,367
Total		33,188

Distribution of household (HH) income data is suppressed where 10 or fewer recipients in town									
	<75% FPG	76-100% FPG	101-125% FPG	126-150% FPG	151-175% FPG	176-200% FPG	Total	Benefits	Average
Acworth							33	\$ 11,311.21	\$ 342.76
Albany		13					45	\$ 25,896.03	\$ 575.47
Alexandria	14	13	12				63	\$ 29,930.72	\$ 475.09
Allenstown	29	28	30	38	29	28	182	\$ 90,291.37	\$ 496.11
Alstead	11		14	15	12	18	77	\$ 19,353.55	\$ 251.34
Alton	15	18	24	21	17	21	116	\$ 59,609.21	\$ 513.87
Amherst		11	13			17	66	\$ 31,061.48	\$ 470.63
Andover			11		11		46	\$ 22,447.33	\$ 487.99
Antrim	20	19	19	16	13		94	\$ 44,100.26	\$ 469.15
Ashland							2	\$ 480.55	\$ 240.28
Atkinson							43	\$ 6,029.77	\$ 140.23
Auburn					13	11	54	\$ 25,863.13	\$ 478.95
Barnstead	17	20	18	25	15	15	110	\$ 56,128.31	\$ 510.26
Barrington	28	26	34	22	21	23	154	\$ 74,788.93	\$ 485.64
Bartlett	15	14	16	11	14	17	87	\$ 39,309.99	\$ 451.84
Bath							39	\$ 17,225.86	\$ 441.69
Bedford	16	12	18	21	21	34	122	\$ 53,927.72	\$ 442.03
Belmont	65	67	55	69	46	61	363	\$ 167,039.50	\$ 460.16
Bennington	16						49	\$ 29,634.75	\$ 604.79
Benton							8	\$ 6,807.84	\$ 850.98
Berlin	156	204	134	92	86	81	753	\$ 302,797.02	\$ 402.12
Bethlehem	16	18	13	19	12	16	94	\$ 44,321.81	\$ 471.51
Boscawen	25	37	22	26	19	28	157	\$ 26,931.59	\$ 171.54
Bow							40	\$ 9,506.75	\$ 237.67
Bradford	11					11	55	\$ 25,277.69	\$ 459.59
Brentwood							28	\$ 12,943.62	\$ 462.27
Bridgewater							33	\$ 15,323.53	\$ 464.35
Bristol	36	23	27	18	12	15	131	\$ 62,126.03	\$ 474.24
Brookfield							23	\$ 7,756.66	\$ 337.25
Brookline							35	\$ 19,651.87	\$ 561.48
Campton	27	33	26	30	16	13	145	\$ 65,606.26	\$ 452.46
Canaan	13	20	16	14		18	90	\$ 26,525.86	\$ 294.73
Candia	13					13	63	\$ 26,307.39	\$ 417.58
Canterbury							27	\$ 7,425.03	\$ 275.00
Carroll							22	\$ 8,106.56	\$ 368.48
Center Harbor							35	\$ 16,579.51	\$ 473.70
Charlestown	39	34	41	45	51	55	265	\$ 94,122.71	\$ 355.18
Chatham							16	\$ 5,572.72	\$ 348.30
Chester							38	\$ 15,703.28	\$ 413.24
Chesterfield		11				19	65	\$ 21,775.26	\$ 335.00
Chichester							36	\$ 11,424.81	\$ 317.36
Claremont	173	166	161	107	86	104	797	\$ 338,826.10	\$ 425.13

Distribution of household (HH) income data is suppressed where 10 or fewer recipients in town									
	<75% FPG	76-100% FPG	101-125% FPG	126-150% FPG	151-175% FPG	176-200% FPG	Total	Benefits	Average
Clarksville							24	\$ 10,206.46	\$ 425.27
Colebrook	44	52	50	28	22	49	245	\$ 114,633.66	\$ 467.89
Columbia		11					45	\$ 21,032.42	\$ 467.39
Concord	232	248	186	165	140	204	1175	\$ 193,726.20	\$ 164.87
Conway	77	108	74	71	50	58	438	\$ 238,640.80	\$ 544.84
Cornish							34	\$ 14,711.36	\$ 432.69
Croydon							26	\$ 8,614.89	\$ 331.34
Dalton		16		14	12		61	\$ 29,905.63	\$ 490.26
Danbury							49	\$ 24,179.88	\$ 493.47
Danville	21	21	16	15	11	22	106	\$ 30,285.45	\$ 285.71
Deerfield	12	13		13		15	70	\$ 32,526.42	\$ 464.66
Deering	12				12		56	\$ 27,124.32	\$ 484.36
Derry	157	177	160	148	111	161	914	\$ 363,876.90	\$ 398.11
Dorchester							23	\$ 10,802.62	\$ 469.68
Dover	181	184	117	89	78	74	723	\$ 337,380.10	\$ 466.64
Dublin							31	\$ 11,215.54	\$ 361.79
Dummer							16	\$ 6,738.05	\$ 421.13
Dunbarton							37	\$ 16,861.71	\$ 455.72
Durham							30	\$ 10,979.76	\$ 365.99
East Kingston							23	\$ 5,373.67	\$ 233.64
Easton							11	\$ 4,070.28	\$ 370.03
Eaton							13	\$ 5,628.62	\$ 432.97
Effingham	15	15	11	15			68	\$ 35,049.64	\$ 515.44
Ellsworth							2	\$ 434.70	\$ 217.35
Enfield			12	13	15	11	71	\$ 12,478.42	\$ 175.75
Epping	32	27	38	34	21	32	184	\$ 86,693.58	\$ 471.16
Epsom	12	23	25	24	18	21	123	\$ 40,480.70	\$ 329.11
Errol							20	\$ 9,611.92	\$ 480.60
Exeter	62	79	79	80	64	85	449	\$ 78,234.71	\$ 174.24
Farmington	73	77	55	65	48	44	362	\$ 176,000.90	\$ 486.19
Fitzwilliam		18	13	11	14	12	76	\$ 27,244.28	\$ 358.48
Francestown							30	\$ 14,221.44	\$ 474.05
Franconia							29	\$ 13,686.64	\$ 471.95
Franklin	92	88	94	62	43	60	439	\$ 207,029.09	\$ 471.59
Freedom				12			39	\$ 13,448.01	\$ 344.82
Fremont			12			13	47	\$ 20,326.89	\$ 432.49
Gilford	27	44	44	48	29	36	228	\$ 94,693.04	\$ 415.32
Gilmanton	18	15	14	16	15	18	96	\$ 46,697.60	\$ 486.43
Gilsum							33	\$ 14,532.33	\$ 440.37
Goffstown	33	37	39	47	52	71	279	\$ 100,635.10	\$ 360.70
Gorham	25	24	21	23	21		124	\$ 47,041.04	\$ 379.36
Goshen							41	\$ 17,408.56	\$ 424.60

Distribution of household (HH) income data is suppressed where 10 or fewer recipients in town									
	<75% FPG	76-100% FPG	101-125% FPG	126-150% FPG	151-175% FPG	176-200% FPG	Total	Benefits	Average
Grafton	15	18		14			68	\$ 32,564.32	\$ 478.89
Grantham							15	\$ 5,790.31	\$ 386.02
Greenfield							33	\$ 14,400.97	\$ 436.39
Greenland							23	\$ 10,787.04	\$ 469.00
Greenville	18	12	26	17	23	14	110	\$ 48,061.09	\$ 436.92
Groton							46	\$ 16,034.94	\$ 348.59
Hampstead	18	11	12	17	19	29	106	\$ 44,269.12	\$ 417.63
Hampton	34	42	46	23	35	32	212	\$ 35,243.75	\$ 166.24
Hampton Falls							17	\$ 2,655.76	\$ 156.22
Hancock							31	\$ 15,284.27	\$ 493.04
Hanover							16	\$ 3,161.97	\$ 197.62
Harrisville							22	\$ 8,428.03	\$ 383.09
Haverhill	12	19	12	11	18	14	86	\$ 38,921.39	\$ 452.57
Hebron							17	\$ 5,754.96	\$ 338.53
Henniker	20	23	16	21	17	14	111	\$ 50,866.43	\$ 458.26
Hill							47	\$ 21,012.28	\$ 447.07
Hillsborough	38	56	50	35	25	46	250	\$ 120,424.20	\$ 481.70
Hinsdale	32	43	33	37	29	19	193	\$ 91,737.18	\$ 475.32
Holderness	11	11					52	\$ 24,351.53	\$ 468.30
Hollis				12			44	\$ 15,596.96	\$ 354.48
Hooksett	30	33	39	40	34	31	207	\$ 83,544.20	\$ 403.60
Hopkinton		11		15			58	\$ 19,156.88	\$ 330.29
Hudson	54	66	54	54	57	71	356	\$ 155,188.50	\$ 435.92
Jackson							7	\$ 3,383.85	\$ 483.41
Jaffrey	20	45	27	42	27	34	195	\$ 74,270.78	\$ 380.88
Jefferson							37	\$ 16,991.77	\$ 459.24
Keene	147	143	134	103	100	128	755	\$ 303,264.30	\$ 401.67
Kensington							19	\$ 4,633.46	\$ 243.87
Kingston	24	15	15	12	14	23	103	\$ 22,517.20	\$ 218.61
Laconia	149	177	158	122	89	73	768	\$ 360,492.47	\$ 469.39
Lancaster	35	33	32	30	17	15	162	\$ 80,002.57	\$ 493.84
Landaff							10	\$ 4,900.36	\$ 490.04
Langdon							20	\$ 6,817.24	\$ 340.86
Lebanon	42	42	39	38	32	47	240	\$ 45,553.30	\$ 189.81
Lee	11	14					58	\$ 26,922.98	\$ 464.19
Lempster				13		11	60	\$ 33,174.45	\$ 552.91
Lincoln	11	18	13	18			76	\$ 36,007.52	\$ 473.78
Lisbon	16	14	16	13	11	19	89	\$ 37,907.69	\$ 425.93
Litchfield	14	12	15	14	16	22	93	\$ 44,447.47	\$ 477.93
Littleton							6	\$ 1,746.67	\$ 291.11
Londonderry	50	47	39	61	33	80	310	\$ 138,680.90	\$ 447.36
Loudon	13	21	20	29	20	30	133	\$ 50,088.40	\$ 376.60

Distribution of household (HH) income data is suppressed where 10 or fewer recipients in town									
	<75% FPG	76-100% FPG	101-125% FPG	126-150% FPG	151-175% FPG	176-200% FPG	Total	Benefits	Average
Lyman						4	26	\$ 10,953.17	\$ 421.28
Lyme						2	12	\$ 5,185.02	\$ 432.09
Lyndeborough						4	28	\$ 13,331.30	\$ 476.12
Madbury						3	12	\$ 9,010.90	\$ 750.91
Madison	17	16	11	13	15	12	84	\$ 35,586.13	\$ 423.64
Manchester	1261	1146	894	768	566	722	5357	\$ 2,257,406.06	\$ 421.39
Marlborough		12	13			14	61	\$ 23,887.72	\$ 391.60
Marlow							31	\$ 15,000.11	\$ 483.87
Mason							15	\$ 4,725.91	\$ 315.06
Meredith	55	58	60	41	43	34	291	\$ 147,401.21	\$ 506.53
Merrimack	43	39	37	48	42	76	285	\$ 119,817.64	\$ 420.41
Middleton	14		14	13	16		75	\$ 31,899.63	\$ 425.33
Milan		14				13	64	\$ 25,071.40	\$ 391.74
Milford	59	54	51	58	53	74	349	\$ 152,495.35	\$ 436.95
Milton	37	38	39	41	22	23	200	\$ 98,038.02	\$ 490.19
Monroe							18	\$ 7,868.30	\$ 437.13
Mont Vernon							29	\$ 11,786.06	\$ 406.42
Moultonborough	12	13	13	12	11		70	\$ 40,621.18	\$ 580.30
Nashua	584	579	370	436	261	367	2597	\$ 1,130,409.12	\$ 435.27
Nelson							22	\$ 10,005.85	\$ 454.81
New Boston	11	11				15	60	\$ 26,215.81	\$ 436.93
New Castle							2	\$ 370.19	\$ 185.10
New Durham	16	14	11	15	13	11	80	\$ 41,814.02	\$ 522.68
New Hampton	11	12		11	12	14	69	\$ 33,157.81	\$ 480.55
New Ipswich	21	19	17	17	14	19	107	\$ 47,899.70	\$ 447.66
New London							26	\$ 11,305.63	\$ 434.83
Newbury			12				40	\$ 18,499.91	\$ 462.50
Newfields							15	\$ 6,301.95	\$ 420.13
Newington							10	\$ 3,122.86	\$ 312.29
Newmarket	32	48	26	29	32	35	202	\$ 84,119.29	\$ 416.43
Newport	75	78	68	65	56	50	392	\$ 191,256.67	\$ 487.90
Newton			13			13	53	\$ 12,679.37	\$ 239.23
North Hampton			11				43	\$ 18,197.47	\$ 423.20
Northfield	31	22	40	27	23	32	175	\$ 83,197.09	\$ 475.41
Northumberland	27	37	34	36	29	14	177	\$ 83,636.99	\$ 472.53
Northwood	17	15	19	18	22	17	108	\$ 49,458.38	\$ 457.95
Nottingham					12	11	53	\$ 30,833.36	\$ 581.76
Orford							27	\$ 9,406.39	\$ 348.38
Ossipee	59	64	54	42	45	42	306	\$ 155,036.81	\$ 506.66
Pelham		11	13	15		17	74	\$ 22,727.29	\$ 307.13
Pembroke	33	38	32	39	29	26	197	\$ 79,769.71	\$ 404.92
Peterborough	37	35	21	18	21	27	159	\$ 63,389.05	\$ 398.67

Distribution of household (HH) income data is suppressed where 10 or fewer recipients in town									
	<75% FPG	76-100% FPG	101-125% FPG	126-150% FPG	151-175% FPG	176-200% FPG	Total	Benefits	Average
Piermont							15	\$ 5,835.45	\$ 389.03
Pittsburg		15	15				48	\$ 23,234.62	\$ 484.05
Pittsfield	23	30	26	18	19	13	129	\$ 60,710.12	\$ 470.62
Plainfield							29	\$ 9,881.24	\$ 340.73
Plaistow	15	21	17	18	23	22	116	\$ 22,714.99	\$ 195.82
Plymouth	50	36	34	23	23	19	185	\$ 90,361.65	\$ 488.44
Portsmouth	73	99	67	74	50	69	432	\$ 186,055.94	\$ 430.69
Randolph							4	\$ 2,215.53	\$ 553.88
Raymond	58	71	69	46	68	65	377	\$ 179,880.87	\$ 477.14
Richmond							32	\$ 13,463.01	\$ 420.72
Rindge	17	14	18	21	19	26	115	\$ 55,360.35	\$ 481.39
Rochester	262	341	259	204	128	141	1335	\$ 550,153.10	\$ 412.10
Rollinsford							37	\$ 16,392.93	\$ 443.05
Roxbury							14	\$ 3,592.24	\$ 256.59
Rumney	17	13	12			13	66	\$ 32,822.08	\$ 497.30
Rye							33	\$ 15,067.28	\$ 456.58
Salem	84	81	74	76	85	117	517	\$ 86,301.14	\$ 166.93
Salisbury							19	\$ 5,372.19	\$ 282.75
Sanbornton		11				12	56	\$ 17,416.06	\$ 311.00
Sandown		12	16		15	15	74	\$ 43,906.80	\$ 593.34
Sandwich							39	\$ 18,690.19	\$ 479.24
Seabrook	75	81	80	57	42	51	386	\$ 84,023.83	\$ 217.68
Shelburne							10	\$ 3,608.39	\$ 360.84
Somersworth	108	92	89	55	56	49	449	\$ 162,897.64	\$ 362.80
South Hampton							8	\$ 2,101.98	\$ 262.75
Springfield							31	\$ 13,173.72	\$ 424.96
Stark			12				47	\$ 18,718.55	\$ 398.27
Stewartstown	21	16	11	14			81	\$ 41,495.77	\$ 512.29
Stoddard							36	\$ 13,814.54	\$ 383.74
Strafford					11		48	\$ 23,397.52	\$ 487.45
Stratford	28	30		11		19	104	\$ 51,387.97	\$ 494.12
Stratham	11		15	11	13	12	71	\$ 37,289.72	\$ 525.21
Sugar Hill							28	\$ 9,556.28	\$ 341.30
Sullivan							20	\$ 8,468.95	\$ 423.45
Sunapee		15	14			12	67	\$ 25,870.38	\$ 386.13
Surry							27	\$ 8,261.95	\$ 306.00
Sutton				11			36	\$ 17,439.53	\$ 484.43
Swanzey	43	66	55	45		39	248	\$ 132,492.27	\$ 534.24
Tamworth	27	41	24	23	21	19	155	\$ 83,330.68	\$ 537.62
Temple						13	33	\$ 12,453.33	\$ 377.37
Thornton	13	26	29	12	11	19	110	\$ 39,999.02	\$ 363.63
Tilton	32	27	23	22	26	27	157	\$ 51,150.64	\$ 325.80

Distribution of household (HH) income data is suppressed where 10 or fewer recipients in town									
	<75% FPG	76-100% FPG	101-125% FPG	126-150% FPG	151-175% FPG	176-200% FPG	Total	Benefits	Average
Troy	24	27	22	11	15	28	127	\$ 63,367.58	\$ 498.96
Tuftonboro	14	12	13	13		12	73	\$ 38,261.51	\$ 524.13
Unity		11				11	57	\$ 21,566.14	\$ 378.35
Wakefield	41	42	17	28	24	17	169	\$ 104,233.81	\$ 616.77
Walpole	11				12	11	58	\$ 16,420.47	\$ 283.11
Warner	16	13	14	12	21		82	\$ 40,093.59	\$ 488.95
Warren	11		14		12		63	\$ 27,444.35	\$ 435.62
Washington							35	\$ 21,329.50	\$ 609.41
Weare	34	26	30	23	16	30	159	\$ 84,535.58	\$ 531.67
Webster							12	\$ 3,273.42	\$ 272.79
Wentworth							33	\$ 18,472.35	\$ 559.77
Westmoreland			11				32	\$ 14,839.72	\$ 463.74
Whitefield	24	21	16	22	15	14	112	\$ 56,951.55	\$ 508.50
Wilmot							30	\$ 14,808.86	\$ 493.63
Wilton	11	17	12	12		15	77	\$ 38,639.01	\$ 501.81
Winchester	64	63	67	42	31	46	313	\$ 152,618.29	\$ 487.60
Windham	11	12	15			17	72	\$ 32,099.93	\$ 445.83
Windsor							12	\$ 5,453.26	\$ 454.44
Wolfeboro								\$ 962.95	\$ 320.98
Woodstock			12	13			59	\$ 28,578.12	\$ 484.37
TOTAL	6,920	7,277	6,193	5,651	4,605	5,609	36,255	\$ 14,963,980.50	\$ 412.74