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PUBLIC UTILITIES COMMISSION APPROVES

ENERGY EFFICIENCY RESOURCE STANDARD FOR NEW HAMPSHIRE

The New Hampshire Public Utilities Commission approved today the establishment of an Energy Efficiency Resource Standard, or EERS, for New Hampshire. The EERS is a policy framework for achieving cost-effective energy savings. Commission-approved energy efficiency programs will be implemented in accordance with this framework beginning January 1, 2018. These specific programs will be subject to Commission approval. Such approval will require a demonstration that they are cost-effective in subsequent proceedings before the Commission. The EERS framework is the culmination of years of collaborative and thoughtful work by Commission Staff and a broad array of interested stakeholders. While the Commission has long required utilities to help customers save money by consuming less electricity and natural gas, the EERS will set specific goals for energy savings that utilities must meet. In addition, the EERS will help the State achieve the objectives set out in its 10-year State Energy Strategy and New Hampshire's Energy Policy. RSA 378:37.

Until now, the Commission has implemented energy efficiency primarily through the Core program, which has offered since 2002 a suite of efficiency solutions designed to meet the varied needs of electric and gas customers statewide through partnerships with the private sector and well-designed rebates and incentives. The Core programs will continue through 2017 and will have a statewide savings goal of 0.60 percent for electric savings and 0.66 percent for gas savings, both as a percent of 2014 delivered sales.

The EERS is slated to begin January 1, 2018. The EERS has an overarching goal of achieving all cost-effective energy efficiency. The Commission hopes to achieve this goal incrementally through a framework of three-year planning periods. During the first three year period of the EERS, the cumulative goal for electric savings will be 3.1 percent of delivered 2014 kWh sales, with interim annual savings goals of 0.80 percent, 1.0 percent, and 1.3 percent. The cumulative goal for gas savings will be 2.25 percent of delivered MMBtu 2014 sales, with interim annual savings goals of 0.70 percent, 0.75 percent, and 0.80 percent.

Funding for the EERS will come from increases to the system benefits charge (SBC) and the local distribution adjustment charge (LDAC), both current components of electric and gas bills, respectively. The Commission has also directed stakeholders to continue efforts to identify other sources of funding for the EERS, including private capital, to augment ratepayer funding. “Any short-term rate impacts will be outweighed by the benefits of increased energy efficiency for participating customers and, in the long term, lower energy supply costs for all customers,” states Amanda O. Noonan, Director, Consumer Services and External Affairs Division of the Commission. “Low-income households in particular face more significant obstacles to investing in energy efficiency. The increased funding provided by the EERS for those households will help ensure all customers have the opportunity to participate in energy efficiency.”

Commission oversight of the development of the specific EERS programs and their subsequent implementation will ensure that the EERS programs funded by customers are the least-cost resource available to meet customers' energy demand. The utilities will administer the EERS programs, but the Commission will retain the authority to approve those programs and will take input from stakeholders, including from the Energy Efficiency and Sustainable Energy Board. That board's statutory purpose is to promote and coordinate energy efficiency, demand response, and sustainable energy programs. The Commission has also made provision for expert resources including independent third-party evaluation, measurement, and verification of savings and costs. The Commission believes that broad and continued stakeholder input and rigorous evaluation of EERS programs will ensure that the energy efficiency goals of the EERS are met at the lowest reasonable cost to customers.

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