
The System Benefits Charge and Public Benefit Programs

NH Public Utilities Commission
January 15, 2009

Universal Service

RSA 374-F:3, V(a)

- “Electric service is essential and should be available to all customers ... Programs and mechanisms that enable residential customers with low incomes to manage and afford essential electricity requirements should be included as a part of industry restructuring.”
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Benefits For All Customers

RSA 374-F:3, VI

- “Restructuring of the electric utility industry should be implemented in a manner that benefits all customers equitably and does not benefit one customer class to the detriment of another. Costs should not be shifted unfairly among customers. A nonbypassable and competitively neutral system benefits charge applied to the use of the distribution system may be used to fund public benefits related to the provision of electricity. Such benefits, as approved by regulators, may include, but not necessarily be limited to, programs for low income customers, energy efficiency programs...”
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Public Benefit Programs

- Two programs established by the Commission
 - Electric Assistance Program
 - Established October 2002
 - CORE Energy Efficiency Program
 - Established June 2002
 - Funded through the system benefits charge
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System Benefits Charge

- The system benefits charge is 3.3 mils, or 33/100 of one cent, per kWh
 - On a 500 kWh bill, the system benefit charge would be \$1.65
 - 1.5 mils funds the electric assistance program
 - 1.8 mils funds the energy efficiency program
 - Collected on residential and commercial bills
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Electric Assistance Program

- Statewide program
 - All utilities fund program at same level
 - EAP account held by State Treasury; separate from general fund
 - Monthly transfers into and out of the fund to pay benefits
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Electric Assistance Program - Current Status

- Current enrollment 33,300
 - Benefits are targeted based on poverty level
 - 0% - 75% FPG 70% discount
 - 76% - 100% FPG 48% discount
 - 101% - 125% FPG 33% discount
 - 126% - 150% FPG 18% discount
 - 151% - 175% FPG 7% discount
 - 175% - 185% FPG 5% discount
 - Average annual benefit based on last program year approximately \$450
 - Administered by Community Action Agencies
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2009 CORE Energy Efficiency Programs

- CORE programs began June 2002
 - Overall structure emanates from the New Hampshire Energy Efficiency Working Group
 - Customer-funded Energy Efficiency programs have been around since late 1980s
 - CORE programs standardized utilities' programs statewide
 - 2009 CORE programs filed October 7, 2008
 - Settlement Agreement approved January 5, 2009
 - Administered by local electric utility
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Highlights of CORE Programs

- From June 2002 through December 2007 have saved approximately 5.3 billion kWh
 - Served more than 50% of New Hampshire electric customers
 - Saved energy at an average cost of less than 2 cents per kWh
 - Reduced emissions by more than 3.3 million tons
 - Saved customers approximately \$839 million
 - Increased energy efficiency awareness
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2009 CORE Energy Efficiency Programs

- Five Residential Programs
 - ❑ ENERGY STAR Homes
 - ❑ Home Energy Solutions
 - ❑ Home Energy Assistance (low income weatherization)
 - ❑ ENERGY STAR Lighting
 - ❑ ENERGY STAR Appliances
 - Four Commercial & Industrial Programs
 - ❑ Educational Programs
 - ❑ Small Business Energy Solutions
 - ❑ Large C&I Retrofit Program
 - ❑ New Equipment & Construction Program
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2009 CORE Energy Efficiency Goals

- Provide more than 315,000 energy efficiency products and services to New Hampshire customers
 - Achieve an additional 508 million lifetime kWh savings
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