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June 13, 2012

Debra A. Howland, Executive Director
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: DE 10-261
Public Service of New Hampshire- 2010 Least Cost Integrated Resource Plan
Office of Energy and Planning's Closing Brief

Dear Ms. Howland:

The Office of Energy and Planning is providing these comments as our closing briefs in the aforementioned matter before the Commission. We would like to thank the Commission for all the time it has devoted to the PSNH Integrated Resource Plan and Continuing Unit of Operation proposals. The issues before the commission are of immense importance to the planning and delivery of cost effective electricity to New Hampshire's businesses and citizens. In particular, OEP is interested in the opportunity energy efficiency may serve in managing future needs and costs of electricity.

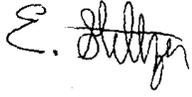
We believe that the IRP did a good job at identifying the opportunity for energy efficiency. The plan addressed and Terry Large testified that in 2009, PSNH saved energy at an average cost of 2.4 cents per lifetime kwh as compared to the average retail price of 14.65 cents/kwh. The plan astutely notes in Exhibit IV-9 on page 56 that the GDS Energy Efficiency Potential Study shows a declining base case scenario, while there remains a growing potential to capture additional energy savings over the same time period. In exhibit IV-19, the plan notes that the TRC B/C test for the market potential is higher than base case scenario, further exemplifying the opportunity to cost effectively capture energy savings through efficiency efforts. We commend PSNH for including these components into the plan.

However, the plan could have gone farther to detail specific actions PSNH should take to achieve potential energy savings. The IRP does identify general suggestions on program offerings, such as HVAC in commercial and industrial sector or expansion of EnergySTAR Homes Program in residential sector, but does not offer an assessment on how to fund the capture of these energy savings. OEP believes the plan should have included greater details on both public and private funding mechanisms to expand the offerings of the energy efficiency programs as well as PSNH's recommendation on how to increase the state's investment in energy efficiency. For example, it would be helpful to have preliminary assessments on building energy efficiency into electric rate, decoupling policies that overcome utilities barriers to invest in energy efficiency, potential adjustments to the System Benefits Charge, and possible inclusion of credit enhancement programs that utilize public funds to secure private funding sources.

OEP believes the Commission is in a unique position to determine the near term direction for PSNH to cost effectively capture the potential energy savings identified in the GDS study and help control costs on ratepayer's bills. We would encourage the commission to take the necessary steps to further support and expand the capture of all cost effective energy savings. OEP is working towards these goals and it has recently acquired competitive funding from the Department of Energy to assess the opportunity to adopt an Energy Efficiency Resource Standard, and the policy mechanisms needed to accomplish the EERS goals. OEP is in the process of hiring a consultant for the award and we are willing to work closely with the Commission and interested parties to develop policies suitable for New Hampshire.

Thank you again for this opportunity to address the Commission on this very important matter and we look forward to our continued efforts to save ratepayer costs through implementation of effective, market transformational energy efficiency programs.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Steltzer". The signature is written in a cursive style with a large initial "E" and a long, sweeping underline.

Eric Steltzer
Energy Policy Analyst