

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 14-238 & DE 11-250

Clean Energy Fund

Collaborative Process for Determining Use of the Fund

ORDER OF NOTICE

On November 7, 2019, Commission Staff (Staff) and the New Hampshire Office of Strategic Initiatives (OSI) filed a joint proposal for the use of the \$5 Million Clean Energy Fund (Fund). The Fund was established in the Settlement Agreement filed on June 10, 2015, in DE 14-238 and DE 11-250. The Fund was approved by the New Hampshire Public Utilities Commission on July 1, 2016, in Order No. 25,920. Pursuant to the terms of the Settlement, Staff and OSI¹ indicated that they met several times over the months following the May 2018 closing on the revenue reduction bonds by Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource).

Staff and OSI recommended that the use of the Fund be guided by the following principles described in the joint proposal.

- (a) Fund monies should be used to promote clean energy projects in New Hampshire, including energy efficiency, renewable energy, and renewable energy paired with storage projects.
 - (b) Fund monies should support innovation in achieving clean energy benefits.
 - (c) Fund monies should be available to all Eversource customers without discrimination.
 - (d) Fund monies should be leveraged, where possible, with the use of private and/or other public funding sources.
 - (e) Fund monies should be used in ways that extend and/or expand existing energy efficiency and renewable energy programs.
 - (f) Fund monies should cover all administrative costs associated with the management of the Clean Energy Fund and associated financial instruments/programs (Instruments).
- Additionally, all necessary marketing and technical assistance efforts should be supported

¹ At the time the 2015 Settlement Agreement was finalized, the New Hampshire state office with OSI's duties was known as the Office of Energy and Planning (OEP).

by the Fund. The Fund and Instruments should be administered in a cost-effective manner.

- (g) The Fund and its Instruments should be managed by an experienced entity or entities in a cost-effective manner and avoid undue administrative costs.
- (h) All interest earned by the Fund and its Instruments should be kept in the Fund and used to support its purposes.

Consistent with these guiding principles, Staff and OSI recommended the establishment of a loan loss reserve (LLR) and funding for interest rate buy-downs. Funding in the amount of \$4 million would be dedicated to the establishment of an LLR for the purposes of leveraging private capital, broadening access to financing for more borrowers, and supporting clean energy initiatives. An LLR is a credit enhancement mechanism used to provide partial risk coverage to lenders, meaning that the reserve will cover a pre-specified amount of loan losses. LLRs can be used in any market, from residential to commercial lending, multifamily housing lending, and nonprofit lending. With an LLR, participating financial institutions gain experience with clean energy technologies and new financing products.

The balance of the Fund, after administrative expenses, would be allocated to lower the interest rate that borrowers will have to pay on loans to such a point that financing becomes an attractive option. Fund monies would be used to buy down the interest rate by making an upfront payment to the LLR financial institution. Interest rate buy-downs would help promote the new clean energy financing program, reward early participants, and build market demand.

Consistent with Order No. 25,920 and the 2015 Settlement Agreement, the Commission establishes a collaborative and non-adjudicative process to allow interested stakeholders to respond to the joint proposal and to suggest alternative proposals for the use of the Fund. The joint proposal and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at www.puc.nh.gov.

The filing raises, inter alia, issues related to whether the proposed uses of the Fund are consistent with Order No. 25,920 and the 2015 Settlement Agreement.


Based upon the foregoing, it is hereby

ORDERED, that a Stakeholder Session, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on Thursday, December 19, 2019 at 9:00 am, at which Staff of the Commission and the Staff of the Office of Strategic Initiatives, and any stakeholder shall review the joint proposal and discuss the process needed to provide any comments or recommendations on the use of the Clean Energy Fund; and it is

FURTHER ORDERED, that, the Commission's Executive Director shall notify all interested persons by publishing a copy of this Order of Notice no later than December 5, 2019, on the Commission's website; and it is

FURTHER ORDERED, that no notice of participation or petition to intervene shall be required, but any person wishing to participate in this collaborative process shall be present at the stakeholder session on December 19, 2019.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of November, 2019.


Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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