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THE STATE OF NEW HAMPSHIRE



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DE 12-262

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September 17, 2013

Debra Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: DE 12-262 – Core Electric Energy Efficiency and Gas Energy Efficiency Programs – PSNH's Request to transfer 2012 CORE Program Year carryover funds to Smart Start Program and the Residential Energy Efficiency Revolving Loan Fund Staff Recommendation for Approval

Dear Ms. Howland:

On August 28, 2013, PSNH filed a letter requesting Commission approval to transfer certain unexpended funds from the 2012 CORE Program Year to PSNH's Smart Start Revolving Loan Fund (the "Smart Start Program") and the Residential Energy Efficiency Revolving Loan Fund (the "Residential Program"). PSNH is seeking authority to transfer \$900,000 to the Smart Start Programs and \$190,000 to the Residential Program. These funds to be transferred, according to PSNH, represent unexpended funds from various CORE programs, funds from higher than expected sales, higher than expected Forward Capacity Market funds and related interest.

Staff supports the request noting that both the Smart Start Program and the Residential Program, according to PSNH, are fully subscribed through the remainder of 2013 and that both programs have waitlists. Moreover, transferring the funds will permit PSNH to deliver an additional 20 to 30 projects through the Smart Start Program and provide weatherization services to an additional 60 residential customers through the Residential Program through 2014. PSNH notes a high interest and demand in these programs and by transferring funds in the near term PSNH will be better able to serve customers who are awaiting funding necessary to begin work. Further, the transfer of funds, according to PSNH, would assist residential as well as commercial and industrial (specifically municipal customers).

Staff reviewed PSNH's carryover balance in its May 31, 2013 performance incentive calculation filing. On the last page of that filing, PSNH notes that it had \$1,091,720 in 2012 carryover funds which is sufficient to cover the proposed \$1,090,000 transfer. The usual course for carryover funds would have been to distribute the funds among existing programs as follows: 15% would go to low income programs and then the

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remaining funds would be distributed between C&I and residential programs. Staff supports the requested transfer of funds and PSNH's efforts to bolster the Commission-approved loan programs. Staff agrees with PSNH that the transfer will alleviate a barrier to delivering energy efficiency projects that is created by a lack of access to affordable funding sources.

The Office of Consumer Advocate, the Office of Energy and Planning, the Department of Environmental Services and The Way Home were contacted and do not object to PSNH's request. Staff and the parties also discussed this transfer at its CORE quarterly meeting on September 16, 2013 and there were no objections.

In conclusion, Staff recommends that the Commission approve the request to transfer \$900,000 in carryover funds from the 2012 CORE Program Year to PSNH's Smart Start Program and to transfer \$190,000 to the Residential Program.

Sincerely,



Marcia A. Brown
Staff Attorney

cc: Service List