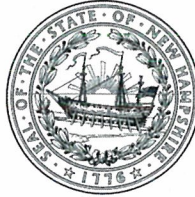


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NHPUC 10APR15PM3:22

April 10, 2015

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

Re: DE 14-216, 2015-2016 New Hampshire Core Energy Efficiency Plan  
Home Energy Reports Program (HER), Informational Report

Dear Ms. Howland:

On March 27, 2015, Eversource Energy (Eversource) filed an informational report on its Home Energy Reports (HER) pilot program. Commission Staff (Staff) and stakeholders in attendance at the last Core Quarterly Meeting requested Eversource's filing, which also included information about and recommendations for the program in 2015 and 2016.

With respect to status of the HER pilot, Eversource offered the following observations:

- Results: The initial results for March through December 2014 show that lifetime kWh savings from the normative messaging approach were almost 6 times greater than savings from the rewards approach – *i.e.*, 1,251,732 lifetime kWh savings for the normative messaging approach, versus 215,125 lifetime kWh savings from the rewards approach.
- Customer Satisfaction: Between March and December 2014, Eversource received very few “customer concern contacts” and has experienced an opt-out rate of only 0.32 percent of the participating pilot customers – *i.e.*, 81 out of a total of 25,000 participants.
- Independent Third-Party Evaluation: Navigant Consulting will verify the energy savings overall, as well as the savings from the normative messaging approach and the rewards approach. Also, Navigant will assess customer satisfaction with the program. A final report is anticipated in June 2015.<sup>1</sup>

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<sup>1</sup> In addition, Eversource advised on April 10, 2015 that it would share the following draft reports with Commission Staff for comment: (1) Navigant's draft survey in mid-April 2015, (2) survey results at the end of April and (3) draft final report in early May.

- The salient parts of the HER program were distilled into an abstract and presented at the Behavior, Energy, and Climate Change Conference held in December 2014. This abstract was selected from nearly 500 submissions, and Eversource's program administrator has received several requests for further discussion in other forums.<sup>2</sup>

With respect to 2015 and 2016, Eversource offers the following observations:

- 2014 Successes: Navigant's evaluation of the 2014 HER pilot will inform the focus and form of the 2015 and 2016 HER program to achieve the most cost-effective use of Eversource's energy efficiency budget.
- Lifetime kWh Savings: The estimated lifetime kWh savings for year 2015 and 2016 program years are 4,589,501 kWh and 6,803,115 kWh, respectively, the same levels approved by the Commission in Order No. 25,747 (December 31, 2014).<sup>3</sup>
- Cost Effectiveness: Benefits and costs are consistent with the levels approved by the Commission for the 2015-2016 Core filing, with benefit/cost (B/C) ratios of 1.08 and 1.80 for program year 2015 and program year 2016 respectively.
- High-use Customer Focus: The 2015 Program will target 25,000 higher-use residential customers, who have an average annual usage of 12,884 kWh or 1,074 kWh per month.<sup>4</sup>

Based on all of its observations, Eversource recommends the following course of action. The 2015 Program should be launched in late April 2015 and should not be delayed by the pending Navigant evaluation of 2014 results. The Navigant report is due in June 2015, but the initial results of the 2014 Program are sufficiently positive to proceed with the 2015 Program before then. Eversource plans to continue to consider other targeting options, including rewards messaging, as part of its refinement of the HER program, in order to potentially increase customers' participation in energy efficiency opportunities.

With respect to Eversource's filing, Staff offers its position and recommendations. Staff concurs with Eversource's recommendation to continue the HER pilot, and to proceed with the 2015 Program before Navigant's evaluation of the 2014 Pilot is completed. Staff also supports Eversource's other plans including a focus on using the normative message approach for "higher-use" residential customers.

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<sup>2</sup> The abstract, entitled "[Broccoli or Ice Cream? What Drives Energy Savings?](#)" (reference page 25) was presented by Eversource's HER program administrator, Cynthia Trottier.

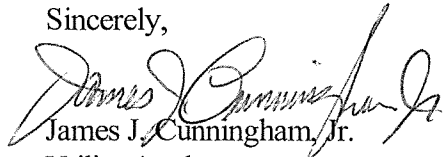
<sup>3</sup> On April 10, 2015, Eversource advised that savings are "gross" – i.e., include an estimated 1 percent to 3 percent spill-over savings attributable to other residential programs; noting that gross savings targets are used because net savings are not known until the program results are reported.

<sup>4</sup> Eversource notes that focusing on higher use residential customers will lead to a greater level of kilowatt-hour savings per program dollar invested, which is a more cost-effective use of Eversource's energy efficiency budget.

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Staff looks forward to receiving Navigant's reports on the evaluation of the 2014 Pilot and to continued work with Eversource and other Core stakeholders as the 2015-2016 HER program is launched.

Sincerely,



James J. Cunningham, Jr.  
Utility Analyst

cc: Service List  
Docket File

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**SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED**

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