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December 23, 2019

NHPUC 23DEC'19PM2:18

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

Re: **DE 14-238** and DE 11-250 Commission Staff and Staff of the Office of Strategic Initiatives
Joint Proposal for Use of the Clean Energy Fund

Dear Ms. Howland:

The establishment of the Clean Energy Fund (Fund) was provided for in the Settlement Agreement filed on June 10, 2015 in Dockets DE 14-238 and DE 11-250. The settlement terms providing for the Fund were approved by the New Hampshire Public Utilities Commission on July 1, 2016 in Order No. 25,920. Pursuant to the terms of the approved Settlement Agreement, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) committed to "provide \$5 million to capitalize" the Fund upon closing on the revenue reduction bonds (RRBs), which occurred in May 2018.

As described in the attached discovery response, Eversource has not capitalized the Fund while the on-going collaboration on details regarding the Fund has proceeded overseen by Staff and the Office of Strategic Initiatives. Eversource takes the position, as stated in that discovery response, that it will capitalize the Fund once the agreed-upon collaborative process has occurred and it is told where to deposit the money.

Staff recommends that the Commission direct Eversource to deposit \$5 million in an interest-bearing account in Eversource's name, and maintain those funds in that account during the interim period prior to final establishment of the Fund details and implementation of the Fund. Under such an arrangement, the Fund will benefit from any interest accrued until final implementation and disbursement of the Fund.

Very truly yours,

A handwritten signature in blue ink, appearing to read "F. Anne Ross".

F. Anne Ross
Staff Attorney

cc: Service Lists:
DE 14-238 and DE 11-250

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 19-057

Date Request Received: 08/13/2019
Request No. OCA 6-001
Request from: Office of Consumer Advocate

Date of Response: 08/27/2019
Page 1 of 1

Witness: William J. Quinlan

Request:

Reference Quinlan Testimony, Bates 033, Lines 15-17, stating "PSNH agreed to provide \$5 million from shareholder funds to establish a Clean Energy Fund to advance the development of clean energy and energy efficiency.

- a. Please describe the status of Clean Energy Fund, including any interest accrued since the Company issued its Revenue Reduction Bonds.
- b. Please summarize any discussions the Company has had with stakeholders outside the Company relating to the disposition of those funds.

Response:

a&b.

As described in the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement at lines 649-657:

Upon closing on the RRBs, PSNH agrees to provide \$5 million to capitalize a Clean Energy Fund, such amount not to be recovered from customers. Details regarding the Clean Energy Fund will be established via a collaborative process overseen by Commission Staff and the Office of Energy and Planning. General principles governing the uses of the Clean Energy Fund and any programs supported by the Fund will include but not be limited to: innovation in achieving clean energy benefits; leveraging of various sources of funds including attracting private capital to the fund and to programs supported by the fund; expanding access to clean energy across customer classes in a cost-effective manner; and avoiding undue administrative costs.

Accordingly, the details of the Clean Energy Fund were to be established by a collaborative process overseen by Commission Staff and the Office of Energy and Planning (now the Office of Strategic Initiatives ("OSI")). So far as the Company is aware, though the RRBs have closed, the collaborative process to be overseen by the Staff and OSI has not yet occurred. Therefore, details about the fund including where it would be housed (*i.e.* , with the Commission, with OSI, with some other entity), how it would be accounted for, and how it would be distributed have not been established. Informal discussions regarding uses or potential uses of the money have occurred with various parties including the Commission Staff, OCA, and others, but there have not been any formal discussions or decisions of which PSNH is aware.

Once the agreed-upon collaborative process has taken place and PSNH knows where to deposit the money, the Clean Energy Fund will be capitalized as PSNH has agreed. In that the Clean Energy Fund does not currently exist, no interest has accrued.

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