

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

June 3, 2015 - 10:00 a.m.
Concord, New Hampshire

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RE: DE 15-137
GAS AND ELECTRIC UTILITIES:
Energy Efficiency Resource Standard.
(Prehearing conference)

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Robert R. Scott

Sandy Deno, Clerk

APPEARANCES: Reptg. Public Service of New Hampshire
d/b/a Eversource Energy:
Matthew J. Fossum, Esq.

Reptg. Unutil Energy Systems, Inc., and
Northern Utilities, Inc.:
Susan S. Geiger, Esq. (Orr & Reno)

Reptg. Liberty Utilities (Granite State
Electric) Corp. and Liberty Utilities
(EnergyNorth Natural Gas) Corp.:
Stephen R. Hall
Eric Stanley
Heather M. Tebbetts

Reptg. New Hampshire Electric Cooperative:
Mark W. Dean, Esq.

Court Reporter: Steven E. Patnaude, LCR No. 52

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APPEARANCES: (c o n t i n u e d)

Rep. Robert Backus, *pro se*

Reptg. Conservation Law Foundation:
Christophe Courchesne, Esq.

Reptg. The Way Home:
Dennis Labbe, Esq.
New Hampshire Legal Assistance

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Southern New Hampshire Services and the
Belknap-Merrimack Counties, Inc.:**
Ryan Clouthier
Tim Lenahan

Reptg. The Jordan Institute:
Laura Richardson

Reptg. N.H. Sustainable Energy Association:
Kate Epsen

**Reptg. Community Development Finance
Authority (CDFA):**
Joseph Harrison

Reptg. N.H. Office of Energy & Planning:
Meredith Hatfield, Esq., Director
Molly Connors
Richard Minard

Reptg. N.H. Dept. of Environmental Services:
Rebecca Ohler

**Reptg. Northeast Energy Efficiency
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James O'Reilly
Natalie Treat

**Reptg. Energy Efficiency & Sustainable
Energy Board (EESE Board):**
Kate Peters (from Eversource), Acting Chair

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APPEARANCES: (c o n t i n u e d)

Reptg. GDS Associates:

Scott Albert

Reptg. N.H. Business & Industry Association:

Stefanie Lamb

Suzanne Amidon, Esq., Public Utilities Comm.

Reptg. Residential Ratepayers:

Susan Chamberlin, Esq., Consumer Advocate

James Brennan, Finance Director

Office of Consumer Advocate

Reptg. PUC Staff:

Rorie E. Patterson, Esq.

Leszek Stachow, Asst. Dir./Electric Division

James J. Cunningham, Jr., Electric Division

Karen Cramton, Dir./Sustainable Energy Div.

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P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: Good morning,
3 everyone. We are here in Docket Number 15-137, which has
4 a "DE" prefix. For all of those who may have seen an "IR"
5 prefix, that's not right. And, despite the fact that it
6 just has an "E" in it, it affects the gas utilities as
7 well. As you all know, this is related to the Energy
8 Efficiency Resource Standard proposal that the Staff
9 filed, it was a Straw Proposal earlier this year, after
10 many months of work. We issued an order of notice to
11 initiate this proceeding, with every intention of adopting
12 an Energy Efficiency Resource Standard as part of this
13 proceeding. That's why you're all here, you're all
14 interested in this.

15 This is a prehearing conference. We're
16 not 100 percent sure what we can accomplish while we're
17 here in the room today. We know you have technical
18 session scheduled afterwards. But we're going to hear
19 from whoever is present wants to articulate their position
20 preliminarily. If there are ideas about how we should be
21 proceeding that you want to share with us at this time,
22 we'd love to hear them.

23 I think, before we do anything else,
24 we're probably going to need to take appearances from all

1 those who are here. We have a lot of motions to
2 intervene. We will issue something regarding all of those
3 motions. For purposes of today, you should all assume you
4 are in with full rights in the proceeding.

5 Are there -- just let me take a quick
6 check, are there any objections to any of the intervention
7 motions?

8 (No verbal response)

9 CHAIRMAN HONIGBERG: Okay. That's
10 helpful to know. Thank you. The record will reflect that
11 there were none.

12 Okay. So, let's take appearances from
13 everyone. Yes, Ms. Patterson.

14 MS. PATTERSON: Thank you. Just one
15 preliminary procedural note for you. We do have two
16 intervenors that need to attend a previously scheduled
17 conference call at 11:00 a.m. in an adjoining room. They
18 have asked to present their preliminary positions before
19 anyone else, and there's no objection to that. Thank you.

20 CHAIRMAN HONIGBERG: Okay. All right.
21 Well, let's take appearances then. We usually start over
22 here [indicating], but we're going to start over here
23 [indicating] and let Staff enter its appearance, and then
24 work our way back around to Mr. Fossum today.

1 MS. PATTERSON: Good morning again.
2 Rorie Patterson, here on behalf of the Public Utilities
3 Commission Staff. And, with me today is Mr. Jim
4 Cunningham, Mr. Les Stachow, and Ms. Karen Cramton. Thank
5 you.

6 REP. BACKUS: Good morning,
7 Commissioners. I am Representative Robert Backus. And, I
8 filed a Motion to Intervene. Thank you very much.

9 MS. CHAMBERLIN: Good morning. Susan
10 Chamberlin, Consumer Advocate for the residential
11 ratepayers. And, with me today is Jim Brennan.

12 MR. LABBE: Good morning, Commissioners.
13 Dennis Labbe of New Hampshire Legal Assistance
14 representing The Way Home. With me today is Dianne Pitts,
15 Director of Housing Services.

16 MR. CLOUTHIER: Good morning,
17 Commissioners. I'm Ryan Clouthier representing the
18 Community Action Agencies. I'm from Southern New
19 Hampshire Services. And, with me today is Tim Lenahan
20 from Belknap-Merrimack Community Action.

21 MS. HATFIELD: Good morning
22 Commissioners Meredith Hatfield, for the Office of Energy
23 & Planning. And, with me is Molly Connors and Rick
24 Minard.

1 MS. OHLER: Good morning. Rebecca
2 Ohler, for the Department of Environmental Services. And,
3 with me today is Joe Fontaine.

4 MS. RICHARDSON: Good morning,
5 Commissioners. I'm Laura Richardson, with The Jordan
6 Institute. Thank you very much.

7 CHAIRMAN HONIGBERG: Back there.

8 MS. LAMB: Good morning. Stefanie Lamb,
9 with the Business & Industry Association, by myself.

10 CHAIRMAN HONIGBERG: But for a lot of
11 people, so --

12 MS. LAMB: Yes.

13 MR. O'REILLY: Jim O'Reilly, Northeast
14 Energy Efficiency Partnerships.

15 MR. DEAN: Mark Dean, on behalf of New
16 Hampshire Electric Cooperative.

17 CHAIRMAN HONIGBERG: Mr. Courchesne.

18 MR. COURCHESNE: Thank you,
19 Commissioners. Good morning. Christophe Courchesne, for
20 Conservation Law Foundation. My colleague, Tom Irwin, who
21 signed our Petition to Intervene, was not available this
22 morning. With me is our legal intern, Mica Iddings.

23 MS. AMIDON: Susan Amidon, Commission
24 Staff.

1 CHAIRMAN HONIGBERG: Ms. Amidon, are you
2 here separately from Attorney Patterson?

3 MS. AMIDON: For the time being, yes.

4 CHAIRMAN HONIGBERG: Okay.

5 MS. EPSEN: Good morning. Kate Epsen,
6 with New Hampshire Sustainable Energy Association.

7 MS. GEIGER: Susan Geiger, on behalf of
8 Unitil Energy Systems, Inc., and Northern Utilities.

9 MR. ALBERT: Good morning,
10 Commissioners. Scott Albert, with GDS Associates. And, I
11 will be submitting a petition to be an interested party.

12 MS. PETERS: Good morning. Kate Peters,
13 with Eversource Energy. I'm also the Acting Chair of New
14 Hampshire's Energy Efficiency and Sustainable Energy
15 Board, and I'm here this morning in that capacity.

16 MR. HALL: Good morning. Steve Hall, on
17 behalf of Liberty Utilities. And, with me today is Eric
18 Stanley and Heather Tebbetts.

19 MR. FOSSUM: And, Matthew Fossum, here
20 for Public Service Company of New Hampshire doing business
21 as Eversource Energy.

22 CHAIRMAN HONIGBERG: And, Ms. Peters is
23 not with you today?

24 MR. FOSSUM: That is correct. She is,

1 as she states, she's here in her capacity as the Chair of
2 the EESE Board.

3 CHAIRMAN HONIGBERG: All right. From
4 what Attorney Patterson told us a few moments ago, there
5 are a couple who need to -- would like to get their
6 positions out first. So, I don't know who they are, you
7 didn't tell me.

8 MS. PATTERSON: I apologize for that
9 oversight. Laura Richardson, on behalf of The Jordan
10 Institute, is one of those individuals, and Kate Epsen as
11 well.

12 CHAIRMAN HONIGBERG: Okay. Off the
13 record.

14 (Brief off-the-record discussion
15 ensued.)

16 CHAIRMAN HONIGBERG: Now, back on the
17 record. Ms. Richardson.

18 MS. RICHARDSON: Thank you so much.
19 And, thank you, Commissioners.

20 (Court reporter interruption.)

21 MS. RICHARDSON: Thank you,
22 Commissioners. And, thank you, everyone, for indulging
23 me, first of all, with the microphone, and, second of all,
24 for reordering my statement this morning. Kate Epsen and

1 I, Kate Epsen from NHSEA and I have to participate in a
2 conference call as presenters. And, so, we appreciate
3 this opportunity.

4 My name is Laura Richardson. I'm
5 Executive Director of The Jordan Institute, a 501(c)(3)
6 nonprofit organization, based here in New Hampshire. We
7 work specifically on energy efficiency and renewable
8 energy policy programs and projects in New Hampshire and
9 the region. We're preparing to launch a statewide C-PACE
10 energy financing project -- program in the very near
11 future. And, that ties in directly with a lot of the work
12 that's going on with the EERS.

13 The Jordan Institute applauds the
14 Commission in opening a docket about the Energy Efficiency
15 Resource Standard. This is a very important step for New
16 Hampshire. We believe that a well-designed EERS will help
17 New Hampshire transition to a clean energy economy and
18 integrate with numerous other policies, programs and
19 opportunities.

20 The Jordan Institute is very interested
21 in participating in this docket. We have a unique
22 perspective and experience in the energy efficiency arena,
23 and will be deeply involved in solutions quite relevant to
24 those questions raised by the Commission in the Order of

1 Notice. I thank you very much.

2 MS. PATTERSON: Excuse me. I had
3 forgotten, before Ms. Richardson started her position,
4 that I had offered to go first for Staff. And, in my
5 haste, I had her go first.

6 So, I wonder if I might go first at this
7 point, and then you return to the other parties.

8 COMMISSIONER SCOTT: That would be
9 "second".

10 CHAIRMAN HONIGBERG: That would be the
11 "first next".

12 (Laughter.)

13 CHAIRMAN HONIGBERG: Ms. Epsen, does
14 that work for you?

15 MS. EPSSEN: Oh, that's fine.

16 CHAIRMAN HONIGBERG: All right.

17 Attorney Patterson.

18 MS. PATTERSON: Thank you. I've been
19 very busy lately. Good morning, Commissioners. Good
20 morning, interested parties and stakeholders. The Staff
21 is pleased to be here today. We are looking at this
22 proceeding through the lense of the Order of Notice, which
23 specifically states the Commission's intention to
24 establish an EERS policy.

1 The Staff of the Commission view its
2 role to work collaboratively with interested stakeholders,
3 and I'm pleased to see so many people here today, to
4 produce for the Commission's consideration, at a merits
5 hearing, a robust and reasonable policy proposal, backed
6 by a strong consensus of the parties.

7 The information in the Commission's
8 recent EERS investigation, DE -- excuse me, IR 15-072,
9 suggests at the very least to staff that there is
10 consensus, broad consensus on the establishment of the
11 EERS by the Commission at this time.

12 The Order of Notice also gives Staff and
13 the Parties some guidance for the parameters of our work,
14 with references to long and short-term efficiency goals,
15 and savings targets based on 2014 sales volumes baseline.
16 The Order of Notice also recognizes that we have amassed
17 some information about New Hampshire's capacity for
18 greater -- achieving greater cost-effective energy
19 efficiency and overall spending less on other energy
20 resources.

21 Designing a policy framework to achieve
22 more energy dollar savings require Staff and the Parties
23 to look closely at how we pay for achieving our energy
24 efficiency goals, and how the utility paradigm needs to

1 shift to support an EERS policy.

2 There are a lot of interdependent issues
3 to work through, and, actually, I've been told this is
4 going to be one heck of a case. But I feel positive about
5 the people that are showing interest and are willing to
6 continue to dedicate their time and ideas and experience
7 to helping the Commission reach this goal in the near
8 future.

9 As you indicated earlier, following the
10 prehearing conference today, Staff has already indicated
11 that it will assemble the individuals who are here for the
12 tech session, and we'll discuss ways that people can
13 participate that fit best within the needs that they have.
14 And, we'll develop a procedural schedule to present for
15 your consideration afterwards. Thank you.

16 CHAIRMAN HONIGBERG: Thank you.
17 Ms. Epsen, before you start, there are a couple of people
18 who came in. Are the people who came in already
19 represented or are there folks who need to enter
20 appearances right now? There was one back here and one in
21 the back row.

22 MS. TREAT: I'm Natalie --

23 (Court reporter interruption.)

24 CHAIRMAN HONIGBERG: I'm sorry. Who are

1 you?

2 MS. TREAT: I'm sorry. Natalie Treat,
3 also with --

4 (Court reporter interruption.)

5 MS. TREAT: Natalie Treat, T-r-e-a-t,
6 with NEEP. Thank you.

7 MR. HARRISON: Joe Harrison, with the
8 Community Development Finance Authority.

9 CHAIRMAN HONIGBERG: Ms. Epsen.

10 MR. EPLER: Good morning. My name is
11 Kate Epsen. I am the Executive Director of the New
12 Hampshire Sustainable Energy Association. We have
13 petitioned to intervene in this docket. Thank you for
14 accepting that. NHSEA is a statewide New Hampshire-based
15 nonprofit. And, we represent hundreds of individuals and
16 businesses across the state. Our mission is to promote
17 and enable a transition to clean, renewable, and efficient
18 energy in New Hampshire, and we do this through education
19 and advocacy.

20 So, to that end, we have a great
21 interest in this proceeding, and achieving a strong and
22 enforceable and implementable Energy Efficiency Resource
23 Standard for New Hampshire. Thank you.

24 CHAIRMAN HONIGBERG: Thank you,

1 Ms. Epsen. Well, those are the people who wanted to go
2 right up front. Who wants to go next? Representative
3 Backus. You can stay there. You have a microphone right
4 there.

5 REP. BACKUS: Oh, I do.

6 CHAIRMAN HONIGBERG: Just make sure that
7 the red light is on and that you're close enough to it so
8 everybody can hear.

9 REP. BACKUS: Okay. Thank you. Thank
10 you for recognizing me.

11 I would just say, I'm here on my own
12 behalf, but I also am to be a conduit back to the Science
13 and Technology and Energy Committee, on which I sit. And,
14 I have become, through that process, and also
15 participation in the National Caucus of Environmental
16 Legislators, learned through a certain expert that, and
17 you will be familiar with Dr. Martin Kushler, of the
18 importance that an EERS can have in advancing our energy
19 strategy goal of capturing all cost-effective energy
20 efficiency in this state as a top priority.

21 So, I'm very interested in this on
22 behalf of my citizens, and also as a conduit to the
23 Committee. And, I applaud the Commission for opening this
24 docket, and changing it from an "IR" to a "DE". And, I

1 hope that this Commission will give great priority to
2 moving this ahead.

3 It's clear this is not an easy task.
4 There's a lot of difficult issues. The Staff Straw
5 Proposal flags many of them. But I think there's a lot of
6 energy here, pardon the pun, and a lot of people with a
7 desire to move ahead on this. So, I'm very hopeful that
8 progress will be as reasonably rapid as can be with all
9 necessary due process and careful consideration
10 requirements having been met.

11 So, again, I thank you very much. And,
12 I look forward to participating in your process. I'm not
13 just as sure at this point how much -- how extensive my
14 participation will be. But I do intend to at least have
15 some active participation. And, we'll see how your
16 procedural order comes out what I can do.

17 CHAIRMAN HONIGBERG: Thank you,
18 Representative Backus. Does anybody want to speak next,
19 because I can just pick people around the room? Ms.
20 Chamberlin.

21 MS. CHAMBERLIN: Thank you. Susan
22 Chamberlin, Consumer Advocate. We support the goal of all
23 cost-effective energy efficiency measures being
24 implemented. We're looking forward to working with the

1 Parties to develop means of funding these projects. We're
2 always mindful of the rate impacts. We generally see
3 energy efficiency as the lowest cost means of meeting our
4 energy needs, and believe that a collaborative effort
5 will -- is the best way to achieve these goals.

6 CHAIRMAN HONIGBERG: Thank you. Ms.
7 Hatfield.

8 MS. HATFIELD: Thank you, Mr. Chairman.
9 As a preliminary matter, I wanted to ask if the Commission
10 would take administrative notice of the filings in the
11 related IR docket, which is IR 15-072. As I'm sure you
12 know, Staff filed their Straw Proposal in that docket, and
13 many of the parties in this room today filed pretty
14 detailed comments on the Straw Proposal. And, I think it
15 would be useful if we could refer to those. So, whatever
16 the Commission's preference is, to be able to consider
17 those in this docket, we would ask that you do that.

18 CHAIRMAN HONIGBERG: I'm not sure that
19 anything formal needs to be done. I think we're certainly
20 aware of that docket and the filings in that docket. If
21 something needs to be taken as a matter of formal notice,
22 we can do that at an appropriate time. But I think
23 it's -- if someone, when they want to file something,
24 wants to reference another document, it will be easiest if

1 you provide the relevant portions of it with what you're
2 filing at the present time, so people won't have to look
3 in two different places. But you don't need to reproduce
4 everything. That would be a colossal waste of time and
5 energy.

6 MS. HATFIELD: Okay. Thank you.

7 CHAIRMAN HONIGBERG: Attorney Patterson,
8 you want to say something about that?

9 MS. PATTERSON: Yes. I neglected to say
10 earlier that it is Staff's intention to file testimony in
11 this docket, and to file a proposal with testimony at some
12 point, you know, to be discussed with the Parties in the
13 procedural schedule discussion. But it may be that that
14 would be more pertinent to the examination by the
15 participants in this docket, and, to the extent that there
16 is a need to refer to the Straw Proposal in any other way,
17 that portions of that could be, as you're saying, excised
18 and attached to the pleadings in this case.

19 But I just wanted to make that clear.
20 Thank you.

21 MS. HATFIELD: Thank you very much.
22 And, that's very helpful, Attorney Patterson. Because one
23 of the things that OEP has been thinking about, which I'm
24 sure we'll discuss more with the Parties during the

1 technical session, "is what is the best way to proceed in
2 this docket?" And, really, "who should go first?" So,
3 it's helpful to know that Staff is thinking along those
4 lines.

5 We would be happy to talk about it in
6 more detail with Staff. But we did want to just, as much
7 as I just suggested that the documents in the IR be
8 included in this docket, we do think that Staff's Straw
9 Proposal, and I think there was unanimous -- there were
10 unanimous comments to this effect, that the Straw Proposal
11 itself is not a proposal for an EERS yet. It definitely
12 needs to be more fully developed. So, we appreciate that
13 Staff is thinking about testimony and a further filing.

14 The Office of Energy & Planning fully
15 supports moving forward with an EERS or some other form of
16 efficiency goal-setting. And, we think really the key
17 point that supports this position is that energy
18 efficiency in New Hampshire today costs less than three
19 cents a kilowatt-hour. And, we think that's really the
20 thing that we should be focusing on. That we should be
21 pursuing achieving all cost-effective efficiency on a path
22 that is reasonable, that works for customers and for
23 utilities. But we really think that that is the
24 importance point that we don't want to lose focus of.

1 One other thing I wanted to draw to the
2 Commission's attention is the Least Cost Energy Planning
3 statute, RSA 378:37, and the following sections. And, I
4 raise that because we think that that could be an
5 important tool as we think about developing an EERS or
6 other goal-setting mechanism, and then we think about how
7 best to implement it.

8 And, if we do need to implement specific
9 aspects of an EERS on a utility-by-utility basis,
10 incorporating that into the utility's overall planning
11 process we think might be one approach. And, as the
12 Commission is well aware, some changes were made to that
13 statute in 2014 that really amplified the policy direction
14 to the Commission, that we should maximize the use of
15 cost-effective energy efficiency and other demand-side
16 resources as a first-order resource. So, we think -- we
17 just wanted to point out that that tool does exist.

18 And, more specifically, I wanted to call
19 to your attention that back in 2010, in Public Service
20 Company of New Hampshire's Least Cost Integrated Resource
21 Plan, in response to a very specific Commission directive,
22 the Company spent about 40 pages in their IRP really
23 digging into this issue. And, what the Commission had
24 directed the Company to do was to take the 2009 GDS study

1 that the Commission commissioned, and that you asked the
2 Company to really look at the GDS study, look at the
3 different scenarios that GDS had studied on our
4 cost-effective potential, and to sort of tweak it and make
5 it work for a PSNH-specific proposal.

6 So, I call that to your attention and to
7 Staff's attention, because I think it kind of shows what a
8 company could do through their IRP process. So, I just
9 wanted to call that to your attention.

10 Another common theme in the proposal --
11 excuse me, the comments to Staff's Straw Proposal that you
12 received was a suggestion or a request that the Commission
13 seek outside resources. I know this is a sensitive issue
14 right now. But I think many of the parties in this room
15 would agree with me that, while we are very committed to
16 efficiency, many of us lack expert resources. We don't
17 have expert witnesses in-house necessarily, and we also
18 have very limited budgets for experts. So, we would
19 continue to urge the Commission to think creatively about
20 tapping experts. And, a few that come to mind are the
21 Regulatory Assistance Project, and also it's good that
22 NEEP is here with us today, I don't believe they're
23 planning to be an intervenor, but I think we could really
24 call upon them to help us sort through some of these

1 issues.

2 Those are my comments at this time.

3 Thank you very much.

4 CHAIRMAN HONIGBERG: Thank you. Anybody
5 affirmatively want to go next, before I start calling on
6 people? Attorney Fossum.

7 MR. FOSSUM: Thank you. And, good
8 morning. I'll note up front that the comments I'll offer
9 this morning for a preliminary position are on behalf of
10 all of the CORE utilities, and not simply Eversource, but
11 all of the electric and gas utilities who participate in
12 the CORE Programs.

13 So, with that, I would note, as the CORE
14 utilities did in their filing in the already referenced
15 15-072 investigation docket, that the utilities do support
16 the creation of an EERS in New Hampshire, and do believe
17 that expanding energy efficiency resources throughout the
18 state can provide and will provide significant benefits to
19 businesses, residents, and communities in New Hampshire.

20 As we also noted previously in our
21 comments, there are several areas that the CORE utilities
22 believe would need to be addressed in order to
23 successfully implement an EERS in New Hampshire. In
24 particular, questions that need to be answered are things

1 like "How would the energy efficiency goals and the
2 savings targets actually be determined?" And, "How would
3 things like non-electric savings fit into an EERS that
4 might be focused on electric consumption?" Would note
5 that there's a significant portion of the existing CORE
6 programs, their electric energy efficiency programs, are
7 directed to various efforts to reduce the use of heating
8 oil, propane, kerosene, wood, so, non-electric fuels.

9 In addition, there's a question about
10 what the potential funding requirements would be needed to
11 and how they would need to be ramped up to provide for
12 energy efficiency investments throughout New Hampshire to
13 meet any of the stated targets, and what the resulting
14 bill impacts might be.

15 And, to that end, based on the
16 collective experience of the utilities, and consistent
17 with the model that's supported by the ACEEE, the
18 utilities believe there are four key components that would
19 need to be addressed to have an effective economic model
20 for a successful EERS. And, they are program cost
21 recovery coincident with spending; performance-based
22 incentives that drive the energy savings; low-cost
23 financing mechanisms that support customer investments in
24 energy efficiency and leveraged capital of local financial

1 institutions; and, lastly, a mechanism or mechanisms to
2 address utility lost revenue on energy efficiency-driven
3 savings.

4 The CORE utilities would encourage the
5 Commission to consider a comprehensive approach fully
6 addressing all of those key issues. And, would note that
7 all of those issues are closely interconnected and should
8 not be viewed or reviewed in isolation from one another
9 prior to the implementation of an EERS with increased
10 savings goals. We understand that doing such a
11 comprehensive review may take more time. But we believe
12 it's necessary to avoid potential unintended outcomes from
13 establishing an EERS, such as setting targets that may be
14 unachievable based on current funding, potentially
15 creating short-term impacts to customers from rate changes
16 or potentially creating less efficient ratemaking
17 processes, due to a disconnect between the new energy
18 efficiency savings goals and the current cost recovery
19 models.

20 To that same issue, the CORE utilities
21 believe that, given the need for a careful consideration
22 of all of these issues, that this docket and this review
23 should proceed independently of the existing CORE energy
24 efficiency docket, that's DE 14-216.

1 If the Commission, the Parties to this
2 proceeding were looking to increase energy savings
3 significantly from current levels, we believe the
4 procedural schedule would need to be extended to
5 accommodate all of the testimony and supporting
6 documentation as likely to be produced on all of the
7 issues that have been raised so far, and will likely be
8 raised -- additional issues will likely be raised this
9 morning.

10 So that all said, we are certainly -- we
11 are eager to continue working with all of our partners in
12 the state and throughout the state, and all of the
13 stakeholders in this process as part of this docket. We
14 remain committed to helping this state meet its important
15 energy efficiency goals.

16 The successful collaboration that we've
17 had over the years on energy efficiency, between the
18 Commission, the CORE utilities, and others, has resulted
19 in the development and the delivery of award-winning,
20 innovative energy efficiency programs that have had a
21 significant and positive impact on utility customers in
22 this state.

23 The CORE utilities encourage the
24 Commission to continue with and to build upon those

1 existing highly effective and efficient programs that it
2 has already established. Thank you.

3 CHAIRMAN HONIGBERG: Thank you. Who
4 wants to go next? Yes. Ms. Ohler.

5 MS. OHLER: Thank you. The Department
6 of Environmental Services supports the PUC action for
7 using your existing authority to move forward with
8 establishing an EERS for New Hampshire, and supports a
9 goal of capturing all cost-effective energy efficiency in
10 this state.

11 In addition, to the economic benefit to
12 the state from retaining our energy dollars in our local
13 economy, reducing energy use will have a significant
14 environmental and public health benefits from the
15 reduction of particulate matter, nitrogen oxide, and other
16 criteria pollutant air emissions, as well as reducing
17 greenhouse gas emissions.

18 As noted by the Office of Energy and
19 Planning, one of the comments -- one of the common
20 comments made in response to the Straw Proposal was
21 regarding the technical expertise. There are many
22 interested parties, as evidenced by the number of motions
23 to intervene on this. And, the technical expertise on the
24 very many facets of an EERS necessary to fully evaluate a

1 proposal, whether it be from Commission Staff or from the
2 utilities, currently doesn't exist, either within the
3 Commission or within the group of those that have
4 petitioned to intervene.

5 However, technical expertise from groups
6 such as the Regulatory Assistance Project, from NEEP, from
7 ACEEE, and others is available to New Hampshire to assist
8 us in crafting the best possible program for the state.
9 And, we encourage the Commission to bring these experts to
10 the table for discussions with intervenors and other
11 stakeholders.

12 It's also very important to ensure that
13 our legislative members are informed and engaged in
14 discussions moving forward, and the Department commits to
15 working with the Commission to ensure that this engagement
16 with the General Court does occur.

17 The Energy Efficiency and Sustainable
18 Energy Board, whose duties include developing a plan to
19 achieve the state's energy efficiency potential for all
20 fuels, including setting goals and targets for energy
21 efficiency, is an appropriate forum to perhaps host some
22 of these technical experts, and by utilizing the EESE
23 Board, a broad spectrum of stakeholders, including the
24 General Court, would be engaged in that process.

1 And, finally, while the Department does
2 encourage getting an EERS established as soon as is
3 technically possible, I agree with Attorney Fossum that
4 the dockets for the CORE Program and the docket for an
5 EERS not be intertwined, that we not start talking of the
6 CORE programs as being our EERS, and they should be
7 established as a completely separate entity. Thank you
8 very much.

9 CHAIRMAN HONIGBERG: Thank you. Who
10 wants to go next? Yes, Mr. Courchesne.

11 MR. COURCHESNE: Thank you,
12 Commissioners. Christophe Courchesne, on behalf of the
13 Conservation Law Foundation. As the Commission is aware,
14 CLF is a membership nonprofit organization, with offices
15 throughout New England. And, for a very long time, CLF
16 has been advocating for increased energy efficiency,
17 dating back to 1987, in the report "Power to Spare", which
18 actually laid the groundwork for a lot of the energy
19 efficiency programs around the region.

20 We, in this proceeding, CLF agrees with
21 the strong consensus among the stakeholders that an Energy
22 Efficiency Resource Standard is the right policy for New
23 Hampshire, and that it is -- CLF is very grateful for the
24 Commission's approach to this in establishing a docket

1 where a wide variety of stakeholders and technical and
2 policy resources can be brought to bear to design the very
3 best policy and implement it.

4 We echo some of the comments that you've
5 heard from other petitioners to intervene, as well the
6 State agencies and the utilities, that this is a very
7 complicated and challenging proceeding to manage. And,
8 with all the issues at stake and all the stakeholders
9 involved, we'd encourage the Commission to follow a
10 creative path to ensure that the testimony and the
11 resources that are brought to bear can be produced and
12 prepared efficiently, and with the benefit of wisdom
13 outside this proceeding, such as Ms. Hatfield's suggestion
14 that the Commission engage the Regulatory Assistance
15 Project, which could be very helpful in both structuring
16 the proceeding and providing resources in forming the
17 ultimate policy decisions.

18 And, finally, from the standpoint of the
19 policy, establishing an EERS is an essential step to
20 remedying the situation we have in New Hampshire, which is
21 that we really are lagging the region's energy efficiency
22 achievements, despite the successful programs that we
23 have. We are consistently back in the rankings. And,
24 part of that -- remedying part of that could go a long way

1 towards addressing many of the resource challenges that
2 the region faces.

3 And, the only data point I'll mention in
4 this context is the recent energy efficiency forecast that
5 come out of ISO-New England, which have demonstrated that,
6 through 2024, the successful programs throughout New
7 England will result in no -- no net increase in demand
8 over that period, which is really a remarkable result.
9 And, in CLF's perspective, we can contribute to that in a
10 greater way, in fact, driving that -- driving that demand
11 negative over that time period. So, that's really a
12 powerfully positive objective, both from environmental --
13 for environmental reasons, for economic reasons, and
14 public health reasons.

15 So, thanks for the Commission's
16 attention, and that concludes our remarks.

17 CHAIRMAN HONIGBERG: Don't walk away. I
18 have a question, and I may regret asking. What do you
19 have in mind for an entity like the RAP to have a role in
20 this? I'm not -- you talked about a "creative approach",
21 and then having a role that sounds like it might be
22 something beyond "consultant". So, can you -- maybe I'm
23 jumping the gun on what you're going to discuss with
24 everyone in the technical session, but I'm intrigued by

1 what you just said.

2 MR. COURCHESNE: A group like -- a group
3 like RAP has the expertise to recommend a stakeholder
4 process that would work, I think, at the outset, that
5 would be somewhat different from the traditional
6 adjudicatory dockets that may or may not be suited in this
7 case for policy development. They're very good at
8 considering petitions from utilities and accepting
9 testimony on those. But, especially in the context of
10 Ms. Hatfield's statement, where not all the parties
11 have -- may have the ability to present a full set of
12 testimony, and hopefully there can be some consolidation
13 of the Parties and some really strong collaboration on
14 that. But, avoiding a scenario where we have three or
15 four competing sets of testimony that are presented to the
16 Commission at hearing, and may be very challenging for the
17 Parties and the Commission to engage with that type of
18 quantity of information, as well as it may be more
19 productive at the end of the day to have a group like RAP
20 do some of the stakeholder work that they are familiar
21 with from their practices, as well as providing a base of
22 information that perhaps could be introduced through Staff
23 testimony, that perhaps could be something that was a part
24 of a multiparty stipulation. Really, that's what I mean

1 by "creative". So that it doesn't -- it doesn't create a
2 cumbersome hearing process at the end of this that will be
3 challenging to manage on the Commission's part.

4 CHAIRMAN HONIGBERG: It sounds like it's
5 going to be a lively technical session. All right. Thank
6 you. Who wants to go next?

7 MR. COURCHESNE: Thank you,
8 Commissioner.

9 CHAIRMAN HONIGBERG: Ms. Peters.

10 MS. PETERS: Thank you. Kate Peters,
11 with New Hampshire's Energy Efficiency and Sustainable
12 Energy Board. The Board has spent a good deal of time
13 over the past few years looking at studies related to
14 EERS, and doing some discussion and review at the Board
15 level. The Board has recommended, in a number of venues,
16 that New Hampshire pursue an EERS, and has created a
17 subcommittee currently to follow this proceeding and other
18 activity related to EERS.

19 The Board is not currently requesting to
20 be an intervenor in and of itself, a number of Board
21 members are with their own organizations. We're going to
22 be talking with Staff during the technical session about
23 the best way for the Board to participate and provide
24 value to this process. One way we may be able to do so

1 is, as Becky Ohler mentioned, to serve as a venue for
2 education during technical sessions or other ways during
3 the docket process. Thank you very much.

4 CHAIRMAN HONIGBERG: Thank you. Yes.

5 MR. ALBERT: Thank you. I'm Scott
6 Albert. I'm here on my own behalf, and as a principal and
7 Region Manager of GDS Associates. I and my 180-person
8 firm, including 22 engineers and consultants in our
9 Manchester, New Hampshire office, have been assisting
10 clients throughout the region and nationwide with energy
11 efficiency and renewable energy policy development,
12 program design, delivery, and evaluation support for over
13 20 years.

14 As co-author with VEIC of the recently
15 completed EERS Report that was prepared for the New
16 Hampshire Office of Energy and Planning, and previously as
17 author of the Commission's sponsored New Hampshire Energy
18 Efficiency Potential Study, I'm here to provide technical,
19 interpretational support on relevant topics as this
20 proceeding unfolds. I do applaud the Commission's actions
21 in opening this important proceeding. And, I support
22 development of a workable EERS that will be good for the
23 State of New Hampshire. Thank you.

24 CHAIRMAN HONIGBERG: Thank you very

1 much. Who wants to go next? Do I need to call on
2 somebody? Yes.

3 MR. HARRISON: I'm Joe Harrison, the
4 Community Development Finance Authority. CDFA is a
5 quasi-government entity, with a board of directors
6 appointed by the Governor and incorporated as a nonprofit.
7 We have approximately \$25 million in assets under
8 management. We have a Clean Energy Fund, which was
9 established in 2009 to provide financing and loan
10 guarantees for energy efficiency projects and renewable
11 energy projects in New Hampshire. It's currently
12 capitalized at over \$6 million.

13 Our interest is in pursuing greater
14 deployment resources to increase access to energy
15 efficiency measures for businesses and nonprofits and
16 municipalities, and specifically the low and moderate
17 income community of New Hampshire. Our position is that
18 public/private partnerships, such as the Clean Energy
19 Fund, will be crucial in order to finance the necessary
20 energy efficiency investments for the utilities to meet
21 the new EERS. And, our particular interest lies in
22 helping to determine how these programs could be financed.
23 Thank you.

24 CHAIRMAN HONIGBERG: Thank you. Staying

1 back in that part of the room, anybody? Attorney Geiger,
2 do you have anything you want to offer?

3 MS. GEIGER: No. Until and Northern's
4 comments were proffered by Attorney Fossum.

5 CHAIRMAN HONIGBERG: And, Mr. Hall, that
6 covers you as well?

7 MR. HALL: Correct. We have nothing to
8 add to Mr. Fossum's comments.

9 CHAIRMAN HONIGBERG: How about you, Mr.
10 Dean? Do you have anything?

11 MR. DEAN: The same.

12 CHAIRMAN HONIGBERG: We're clearing out
13 work on that side of the room. Staying over there, is
14 there anybody else who wants to offer comments? Yes,
15 Ms. Lamb.

16 MR. LAMY: Yes. For the record, my name
17 is Stefanie Lamb, the Director of Public Policy with the
18 Business & Industry Association. I am here today
19 representing the 400 plus members which are -- contribute
20 four and a half billion dollars a year annually to the
21 state, 86,000 some odd employees. And, our reason for
22 being here today is because the high cost of business --
23 of doing business, energy/electricity in this state is an
24 utmost concern to our members. We are open and interested

1 in any means that we can help alleviate those pressures
2 that our members feel.

3 We recognize that energy efficiency is
4 very important in that mix, not just bringing in new
5 infrastructure and renewables. We will be involved to the
6 degree that is appropriate for our members and we'll
7 gladly participate. That's all I had. Thank you.

8 CHAIRMAN HONIGBERG: Thank you. Let's
9 see. Ms. Treat, did you want to offer any comments?

10 MS. TREAT: I have nothing.

11 MR. O'REILLY: Mr. Chairman?

12 CHAIRMAN HONIGBERG: Yes.

13 MR. O'REILLY: Thank you, Mr. Chairman.
14 Jim O'Reilly, Director of Public Policy for Northeast
15 Energy Efficiency Partnerships, NEEP. For the record, we
16 have not filed as an intervenor. So, I appreciate your
17 indulgence in allowing me to provide some comment today
18 here. And that is simply to offer the resources of NEEP
19 to this Commission throughout the course of this
20 proceeding.

21 NEEP is a nonprofit 501(c)(3)
22 organization. We are 19 years old this year. And, we
23 have been partially funded by and designated by U.S.
24 Department of Energy as a regional energy efficiency

1 organization to assist states, energy offices,
2 commissions, and other interested stakeholders, in an
3 11-state and District of Columbia jurisdictional region
4 throughout the Northeast.

5 So, I'm simply here to offer our
6 resources to the Commission as you work through this
7 proceeding. We have worked on similar issues in states
8 throughout the course of the region. And, we're happy to
9 provide that knowledge and experience in relation to
10 policy "best practices" as the Commission works through
11 many of the challenging issues here.

12 And, I would also reiterate, as some of
13 the comments that were earlier made, that I would also
14 strongly urge the Commission to take advantage of the
15 resources from the Regulatory Assistance Project in this
16 proceeding as well.

17 CHAIRMAN HONIGBERG: Thank you very
18 much. I think there's only a couple of people who are
19 here who haven't yet said anything. Yes, Mr. Labbe.

20 MR. LABBE: For the record, Dennis Labbe
21 -- is this on? For the record, Dennis Labbe of New
22 Hampshire Legal Assistance, representing The Way Home.
23 The mission of The Way Home is to help low income
24 households obtain and retain safe, affordable housing and

1 prevent homelessness in New Hampshire.

2 The Way Home does support the efforts of
3 the Public Utilities Commission to establish an EERS here
4 in New Hampshire. But we would like to just mention a few
5 fundamental points at the outset.

6 First, The Way Home is interested in
7 making sure that low-income households are not left behind
8 when establishing an EERS. One concern of mine, when I
9 read the Straw Proposal, was that it suggested increasing
10 annual savings targets without any fundamental corollarily
11 -- corollary funding to support that, achieving those
12 energy targets. One suggestion we have is possibly
13 segmenting targets by customer groups to prevent an
14 inequitable distribution of energy efficiency resources.

15 The reason I have this concern on behalf
16 of low-income households is, traditionally, the HEA
17 Program has a lower benefit/cost ratio than other
18 programs. If we increase targets without increasing
19 funding, there's a strong possibility that any program
20 administrator could be forced to allocate more resources
21 away from the HEA Program. We want to make sure that, you
22 know, the low-income households are included at the utmost
23 possible. And, one suggestion that we have to increase
24 funding is pretty simple. The Commission could consider

1 raising the Systems Benefit Charge.

2 In the proposal, there were only two
3 suggestions or projections. One was the *status quo*, the
4 other was doubling the energy efficiency portion of the
5 SBC rate. The Commission may want to consider a less
6 dramatic and gradual increase in the SBC rate, as needed
7 to close the gap between the EERS goals and the funding
8 needed to meet those goals to achieve all cost-effective
9 energy efficiency. And, the reason I bring this up is
10 because there is no real possibility of market
11 transformation for low-income households. They simply
12 lack the disposable income to invest in energy efficiency
13 on their own. So, substantial and sustained public
14 funding is needed for investments in energy efficiency, if
15 an EERS is to be inclusive of all customer sectors.

16 In closing, increasing the energy
17 efficiency SBC could be an equitable way to share the
18 upfront investment costs of energy efficiency across all
19 customer sectors proportionate to the energy usage of
20 various customer classes.

21 We'd like to thank the Commission for
22 opening this docket. And, we look forward to working
23 collaboratively with the utilities and other intervenors.
24 Thank you.

1 CHAIRMAN HONIGBERG: Thank you.

2 Mr. Clouthier.

3 MR. CLOUTHIER: Thank you very much.

4 I'm Ryan Clouthier, the Energy Director for Southern New
5 Hampshire Services, here representing the Community Action
6 Agencies here in New Hampshire.

7 We're in support of the Commission's,
8 you know, establishment of the EERS in New Hampshire.
9 And, our agencies, the Community Action Agencies, provide
10 programs -- we have programs designed to provide food,
11 childcare, transportation, and energy and energy
12 assistance to over 50,000 low-income households here in
13 New Hampshire.

14 So, we're looking forward to
15 participating in this. And, thank you for the ability to
16 do so.

17 CHAIRMAN HONIGBERG: Thank you very
18 much. I think that's everybody who had identified him or
19 herself up front. Did I miss anybody?

20 (No verbal response)

21 CHAIRMAN HONIGBERG: Is there anybody
22 else who wants to circle back and say anything, respond to
23 something that they heard?

24 (No verbal response)

1 CHAIRMAN HONIGBERG: Anything else you
2 want us to know before we leave you to your technical
3 session?

4 (No verbal response)

5 CHAIRMAN HONIGBERG: Okay. Commissioner
6 Scott would like to address some questions to Staff.

7 COMMISSIONER SCOTT: Thank you, Mr.
8 Chair. First of all, thank you for everybody again for
9 showing up. This is a great turnout for an important
10 topic.

11 Having said that, I guess I want to ask
12 Staff, I mean, we have some folks here from the financial
13 industry, the CDFR, for instance, but I am struck by, I
14 think, one of the -- a large challenge, as Mr. Labbe I
15 think just talked about, is funding. Is how do we do
16 that? And, the Straw Proposal talked about trying to
17 leverage private funding.

18 So, I guess my open question to the
19 group would be is, the interest you show and the expertise
20 you bring is very important. But I would guess I'd also
21 ask, do we have all the expertise we need in the room,
22 even if we did include RAP? The deficiency, if there is
23 one, I can foresee, is do we have the financial people
24 here represented that we need? So, I guess I would ask

1 that.

2 And, to the extent, the audience has a
3 great interest in all this, as I'm happy you do, you know,
4 "CDFA, can you go call your friends?" type of thing, would
5 be my question. So, that would be my open question to
6 Staff. I guess you don't really need to answer that from
7 here.

8 The other point I'd like to make is,
9 having -- in the IR running up to this, I see a lot of
10 people talk about an "EERS", but I wonder, if I polled
11 everybody in the room, would they have a different view of
12 what an "EERS" is. So, I think definitions are important,
13 so we don't talk past each other. And, again, we're
14 working on it to create what makes sense for New
15 Hampshire.

16 And, I think, as Mr. Fossum -- Attorney
17 Fossum brought up, another example, as we talk about
18 energy efficiency, my observation is, depending on who you
19 are, it means a different thing. Some people think it
20 means only electric energy efficiency, some people think
21 it means only thermal energy efficiency, some people think
22 it's a mix. And, those are important to understand what
23 we're all talking about.

24 So, those are just thoughts I wanted to

1 throw out there and put on Staff's radar screen. Thank
2 you.

3 MS. PATTERSON: Thank you. I will
4 have -- I'll discuss that with the group at the technical
5 session, but the Staff would offer a response, if you're
6 open to that?

7 COMMISSIONER SCOTT: Absolutely. Thank
8 you.

9 CHAIRMAN HONIGBERG: We would never want
10 to shut down a response to a question that we've asked.

11 MS. PATTERSON: If I might turn the mike
12 over please? Thank you.

13 CHAIRMAN HONIGBERG: Mr. Stachow.

14 MR. STACHOW: Yes. Thank you. As the
15 Commission has heard a few times from me, I believe that a
16 critical variable in implementing an EERS effectively is
17 looking for outside financing. And, therefore, for me,
18 the notion of public/private partnership at this time
19 appears to be the most compelling. I'm drawing upon data
20 from the international community, rather than from the
21 domestic community, although I'm also looking at such
22 forms of social bonds, that may be a mechanism that U.S.
23 government sanctions and encourages, that could be a means
24 of trying to bring private financing into this sector.

1 Having said that, I think maybe the
2 report or the readers of the Straw Proposal may have
3 somewhat misunderstood the intent of our financial
4 conclusions. It was never our intent to suggest "doubling
5 the SBC charge". The intent was to demonstrate the impact
6 of trying to reach even mediocre targets. So, let me
7 leave it at that.

8 CHAIRMAN HONIGBERG: We assume that, in
9 the course of the technical session, you will have some
10 discussion about the participation of intervenors. And,
11 if there needs to be consolidation, limitations, working
12 together, and it sounds like the CORE utilities have
13 already -- have thought about it at some level, at least
14 for today. But I think that it's something that you all
15 should continue to think about.

16 I think you should keep in mind that
17 there's a strong interest on this side of the Bench to
18 moving, and moving as quickly as we reasonably can with
19 this. And, I understand there are complications and there
20 are differing views of priorities. But, to the greatest
21 extent possible, we want this to move, and we want it to
22 move relatively quickly.

23 I think, Mr. Fossum, you articulated
24 some very important points, that, if you go back and read

1 the Order of Notice, are largely echoed in the first
2 paragraph, when we identify what we think the scope of
3 this proceeding is. And, it includes all the things that
4 Mr. Fossum articulated, plus things like program
5 administration and evaluation, measurement and
6 verification. But all -- there's a recognition that this
7 is complicated with interdependent, interlocking parts.
8 And that, if you try to address only one, you will fail.

9 So, you need to think comprehensively
10 and recognize that it's all out there, and that there is
11 an intention to get it done. So, we hope that you will
12 keep that incentive in mind as you have your technical
13 session. It should be a corker. I wish I were staying.

14 Is there anything else we need to do
15 before the two of us leave?

16 MS. PATTERSON: No thank you.

17 CHAIRMAN HONIGBERG: Thank you very
18 much. We will adjourn.

19 **(Whereupon the prehearing conference was**
20 **adjourned at 10:54 a.m.)**