

STATE OF NEW HAMPSHIRE



Energy Efficiency and Sustainable Energy Board
RSA 125-O:5-a

Twelfth Annual Report

Prepared for:
The Governor
President of the New Hampshire Senate
Speaker of the New Hampshire House
Chair of the Senate Energy and Natural Resources Committee
Chair of the House Science, Technology and Energy Committee
Public Utilities Commission

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I. Introduction

This annual report provides an update on the activities of the Energy Efficiency and Sustainable Energy Board and its recommendations for action, pursuant to RSA 125-O:5-a IV.

II. Background

The Energy Efficiency and Sustainable Energy Board (“EESE Board”) was created by Chapter 292 of the 2008 New Hampshire Laws. The purpose of the EESE Board is “to promote and coordinate energy efficiency, demand response, and sustainable energy programs in the state.” RSA 125-O:5-a, I. New Hampshire must do more to promote and utilize energy efficiency and sustainable energy resources as a means to bolster the state’s economy and spur business innovation, improve energy security, reduce customer costs, and protect the environment. Further, energy efficiency is cost-effective, and is considered the least expensive and cleanest energy resource. These precepts form the context within which the EESE Board was established and continues to serve as a convening body for stakeholders in the state’s energy future.

The Chair of the Public Utilities Commission (PUC or Commission) convened the first organizational meeting of the EESE Board on October 1, 2008, and the EESE Board has since met roughly nine to twelve times per year. The EESE Board is administratively attached to the PUC, which provides administrative support.¹ The PUC hosts a comprehensive webpage for the EESE Board and other interested parties where all meeting materials and background information can be found: www.puc.nh.gov/EESE.htm.

III. Statutory Duties

¹ Administrative Support and Contact for the EESE Board is the PUC: (603) 271-2431, EESEBoard@puc.nh.gov.

The EESE Board's duties are broad. *See* RSA 125-O:5-a, I (a) through (j). They include, but are not limited to:

- reviewing available energy efficiency, conservation, demand response, and sustainable energy programs and incentives and compiling a report of those resources in New Hampshire;
- developing a plan to achieve the state's energy efficiency potential for all fuels, including setting goals and targets for energy efficiency that are meaningful and achievable;
- developing a plan for economic and environmental sustainability of the state's energy system including the development of high efficiency clean energy resources that are either renewable or have low net greenhouse gas emissions;
- exploring opportunities to coordinate programs targeted at saving more than one fuel resource, including conversion to renewable resources and coordination between natural gas and other programs which seek to reduce the use of nonrenewable fuels;
- developing tools to enhance outreach and education programs to increase knowledge about energy efficiency and sustainable energy among New Hampshire residents and businesses;
- expanding upon the state government's efficiency programs to ensure that the state is providing leadership on energy efficiency and sustainable energy including reduction of its energy use and fuel costs;
- encouraging municipalities and counties to increase investments in energy efficiency and sustainable energy through financing tools, and to create local energy committees;
- working with community action agencies and the Office of Strategic Initiatives (OSI) to explore ways to ensure that all customers participating in programs for low-income customers and the Low Income Home Energy Assistance Program (LIHEAP) have access to energy efficiency improvements, and where appropriate, renewable energy resources, in order to reduce their energy bills; and
- investigating potential sources of funding for energy efficiency and sustainable energy development and delivery mechanisms for such programs, coordinating efforts between funding sources to reduce duplication and enhance collaboration, and reviewing investment strategies to increase access to energy efficiency and renewable energy resources.

IV. Members and Public Participation

The members of the EESE Board, designated by RSA 125-O:5-a, II, include representatives of business and non-profit organizations and associations, legislators, state agency heads, consumer representatives, as well as several non-voting members representing electric and natural gas utilities, banking, and businesses in relevant energy efficiency and sustainable energy industries.

The members represent a wide range of interests that help inform the EESE Board's work.

Members as of December 2019 are:

Chair:

- Rebecca Ohler – Department of Environmental Services designee, RSA 125-O:5-a, II (d)

Voting Members:

- Karen Cramton – PUC Chair designee, RSA 125-O:5-a, II (a)
- Joseph Doiron (January through November) and Matthew Mailloux (December) – Office of Strategic Initiatives designee, RSA 125-O:5-a,II (b)
- D. Maurice Kreis – Consumer Advocate, RSA 125-O:5-a, II (c)
- Taylor Caswell – Business & Economic Affairs Commissioner, RSA 125-O:5-a,II (e)
- Tonia Chase – Business and Industry Association of New Hampshire designee, RSA 125-O:5-a,II (f)
- Theresa Swanick – New Hampshire Municipal Association designee, RSA 125-O:5-a, II (g)
- Raymond Burke – New Hampshire Legal Assistance designee, RSA 125-O:5-a,II (h)
- Scott Emond – New Hampshire Homebuilders and Remodelers Association designee, RSA 125-O:5-a, II (i)
- Representative Doug Thomas – House Speaker appointment, RSA 125-O:5-a, II (j)
- Representative Robert Backus – House Speaker appointment, RSA 125-O:5-a II (j)
- Senator Martha Fuller-Clark – Senate President appointment, RSA 125-O:5-a, II (k)
- Ryan Clouthier, Southern New Hampshire Services, Inc. – not-for-profit appointment by PUC Chair, RSA 125-O:5-a, II, (l)
- Madeleine Mineau - New Hampshire Sustainable Energy Association – not-for-profit appointment by PUC Chair, RSA 125-O:5-a, II (l)

- Bruce Clendenning – The Nature Conservancy, not-for-profit appointment by PUC Chair RSA 125-O:5-a, II (l)
- Donald Perrin –Department of Administrative Services designee, RSA 125-O:5-a, II (m)
- Marc Prindiville – State Fire Marshal designee, RSA 125-O:5-a, II (n)
- Ben Frost –New Hampshire Housing Finance Authority designee – RSA 125-O:5-a, II (o)

Non-Voting Members:

- Cindy Carroll, Unitil/Northern – utility appointment by PUC Chair, RSA 125-O:5-a, III (a)
- Eric Stanley, Liberty Utilities – utility appointment by PUC Chair, RSA 125-O:5-a, III (a)
- Carol Woods, New Hampshire Electric Coop – utility appointment by PUC Chair, RSA 125-O:5-a, III (a)
- Kate Peters, Eversource – utility appointment by PUC Chair, RSA 125-O:5-a, III (a)
- Open – a representative of energy services companies delivering energy efficiency services to residential and business customers, appointment by PUC Chair, RSA 125-O:5-a, III (b)
- Michael Behrmann, Revolution Energy, LLC – renewable energy business appointment by PUC Chair, RSA 125-O:5-a, III (c)
- Scott Maslansky, New Hampshire Community Development Finance Authority– PUC Chair investment community apt, III (d)

The EESE Board has since its inception appreciated and encouraged attendance and participation of the public at its meetings. Business, municipal, and nonprofit leaders, and other stakeholders regularly attend the EESE Board’s monthly meetings and are encouraged to bring relevant energy experience to the EESE Board’s discussions. In all, roughly 100 people are on the EESE Board’s email distribution list, not including EESE Board members. The EESE Board recognizes that energy consumers, business leaders, municipal officials, energy efficiency and sustainable energy professionals, and other concerned members of the public and private sectors are all crucial to achieving our state’s energy goals.

V. Description of 2019 Activities

The EESE Board met ten times in 2019: in January, February, March, April, May, June, September, October, November and December. Meeting agendas, minutes, presentations, and other materials from all of the EESE Board's meetings can be found on the PUC's EESE Board webpage: www.puc.nh.gov/EESE.htm.

Committees

In addition, the EESE Board has employed a committee structure to meet its broad statutory goals, enabling work between EESE Board meetings and opportunities for participation from both EESE Board members and non-members. The EESE Board has three standing committees: the Energy Efficiency Resource Standard (EERS) Committee; the Outreach and Education (O&E) Committee; and the Legislative Monitoring Committee. The O&E and Legislative committees meet and support EESE Board work as needed. During 2019, no requests were made of the O&E Committee. The Legislative Monitoring Committee provided legislative tracking and monthly updates to the Board January through July.

EERS Committee

The EERS Committee was re-commissioned by the EESE Board after the PUC issued Order No. 25,932² approving the EERS in August 2016. The 2016 Order created a framework in which the state's four electric utilities (Eversource Energy, Liberty Utilities, the New Hampshire Electric Cooperative and Unitil) would administer the programs (a role they have consistently played since the advent of ratepayer-funded energy efficiency programs) pursuant to a three-year plan covering the calendar years 2018 through 2020. A key element of the 2016 Order called for the EESE Board

² Available at <http://www.puc.nh.gov/Regulatory/Orders/2016orders/25932e.pdf>.

to serve as an enhanced stakeholder advisory board, whose objective would be to seek consensus on programmatic issues and thus reduce if not eliminate the need to litigate issues related to the EERS before the PUC on a contested basis. The EESE Board, in turn, designated its EERS Committee as the forum that would conduct the bulk of the necessary legwork in the first instance.

In 2019, Don Kreis was appointed the chair of the EERS Committee. The Committee met six times, with the focus being on providing input relative to the second EERS triennium (2021-2023).

At the February 14, 2019 meeting the Committee heard from consultants with Skumatz Economic Research Associates, which has been advising the including Evaluation, Measurement and Verification (EM&V) Working Group with respect to issuing a Request for Proposals (RFP) to conduct the energy efficiency potential study called for in the most recent settlement agreement approved by the PUC in Docket DE 17-136 (the Energy Efficiency Resource Standard docket). After discussion the Committee voted to endorse the approach the EM&V Working Group had been contemplating based on the recommendations of Skumatz, to focus on targeted mini-studies with a secondary focus on developing data from New Hampshire that would provide actionable information that could be used more broadly. Also at this meeting PUC Staff shared a draft RFP for a consultant to provide advice and assistance to both the EESE Board and the Commission during the development of the EERS. Committee members were subsequently emailed a copy and asked to provide input to Mr. Kreis prior to the next meeting.

At the February 26, 2019 meeting the Committee focused on developing recommendations to the Commission relative to the consultant RFP. There was also a brief discussion regarding how a decision relative to EERS program administration, namely whether the utilities would continue to administer the program or whether there should be a non-utility program administrator, would occur. There was no final outcome of this discussion.

The EERS Committee did not meet again until November. In the interim months the consultant RFP was issued. Vermont Energy Investment Corp (VEIC) was selected as the EESE Board and Commission consultant and began working with PUC Staff, Don Kreis, and Becky Ohler to develop a process by which the EESE Board, through its EERS Committee, would serve as an enhanced stakeholder advisory board. The EERS Committee held four meetings in November and December.

The November 4, 2019 meeting was primarily organizational. The EESE Board and EERS Committee roles in the development of the 2021-2023 EERS plan were reviewed, and the key objectives for the 2021-2023 EERS program planning and approval process were discussed.

On November 18, 2019 VEIC presented information on key trends in the next-generation energy efficiency portfolio and program designs and how they might influence the next EERS plan; the utilities reviewed current efficiency goals, what is working well or not, and ideas for the future; EERS Committee members shared ideas on potential energy efficiency goals for the next triennium; and some key decisions that must be made relatively soon to inform the 2021-2023 plan were discussed.

The December 9, 2019 meeting continued the EE trends discussion; members of various working groups that have met over the past year (EM&V; Funding & Finance; Benefit-Cost, including Cost-Effectiveness Review and Energy Optimization through Fuel Switching Study; Performance Incentive; and Lost Base Revenue) shared their key findings and implications for the next three year plan; members shared initial perspectives on policy issues that should be considered as part of the three-year planning process, such as:

- Goals and metrics for measuring success of energy efficiency programs (kWh, kW, MMBtu, etc.),
- Minimum requirements or goals for low-income programs,

- Planning cycle / relationship between three-year and annual plans,
- Budget level and system benefit charge,
- Budget flexibility, such as year-to-year carryover, and
- Performance incentives.

Committee members discussed the information shared to identify key decisions that must be made to inform the three-year plan.

The December 16, 2019 meeting included presentations and discussion on a proposed stakeholder engagement process and guiding principles for the EERS plan development.

Meeting agendas, minutes, presentations, and other materials from all of the EERS Committee's meetings can be found on the PUC's EESE Board webpage:

<https://www.puc.nh.gov/EESE%20Board/CommitteeMeetings.html>

EESE Board Meetings and Presentations

The EESE Board frequently solicits presentations from projects and programs relevant to issues of interest to the EESE Board. During 2019, the EESE Board heard updates from several existing New Hampshire programs as well as presentations from outside experts on energy initiatives and policy.

- **January:** The Board discussed the EERS Committee; its current charge, membership, and 2019 work schedule. There was a review and discussion of proposed legislation relative to the work and membership of the EESE Board. There was a review and discussion relative to building code bills in relation to the Policy Statement on Current Energy Codes for Building Construction adopted by the EESE Board in April of 2018.
- **February:** Cara Robeck from New Hampshire Energy Education Project (NHEEP) and Michael Loughton from Eversource gave a presentation on the Vermont Energy Education

Partnership working with NHSaves. The program provides hands-on, interactive education to schoolchildren in grades K-12, in addition to professional training for teachers. There were three presentations given on the Renewable Energy Fund's Low-Moderate Income (LMI) Solar Program and Projects: Karen Cramton from the Public Utilities Commission presented an overview of NH Solar Shares. Christa Shute from the Vermont Law School Energy Clinic spoke about Mascoma Meadows Cooperative solar project. Sal Steven-Hubbard and Kara Lasalle both from Lakes Region Community Developers spoke about Laconia Area Community Land Trust/Avery Hill solar project. The Legislative Committee gave a report and recommendation for House Bill 413 and Senate Bill 205 relative to the EESE Board Membership.

- **March:** Christine Donovan of the Vermont Energy Investment Corporation (VEIC) gave a presentation on “Advancing Clean Energy Investment in Northern New England.”
- **April:** Navigant and Illume Advising presented key findings and recommendations from their study of residential and non-residential customers, NHSaves Market Assessment Study. Donald Perrin, State Energy Manager, presented the Annual State Energy Report. The report outlines progress toward compliance with Senate Bill 73 (2010) requiring state government to reduce fossil fuel energy use per square foot in state buildings, to develop an energy conservation plan, and to make an annual report on the state's energy consumption.
- **May:** Brian Buckley of the Office of the Consumer Advocate (OCA) presented a review of the EERS 2020 plan update process and discussion of considerations for 2021 and beyond.
- **June:** Michael Hogan from The Regulatory Assistance Project (RAP) presented “Demand Response in the US: Lessons for a Low-carbon Transformation.”
- **July:** No meeting.
- **August:** No meeting.

- **September:** Mark LeBel from The Regulatory Assistance Project (RAP) gave a presentation on “Revenue Decoupling – Benefits and Implementation Options.” The presentation covered the basics, purpose, consumer benefits, and design choices of decoupling.
- **October:** The Board discussed possible 2020 legislation. Kate Peters of Eversource presented the “2020 Statewide Energy Efficiency Resource Standard (EERS) Plan Update.”
- **November:** The Board discussed possible 2020 legislation. Matt Siska, GDS Associates, Inc., gave a presentation highlighting the impactful changes of the International Code Council’s 2015 suite of International Codes (I-codes) and New Hampshire specific amendments, early reactions from key market actors, and multi-faceted efforts to promote compliance and encourage the design community to reach beyond code minimums. Mr. Siska also provided an update on the newly reformed New Hampshire Code Collaborative and its efforts to educate owners, designers, and builders on the value of modern building and energy codes.
- **December:** The Board discussed the status of legislation still pending from the previous session as well as several bills that have been proposed for the 2020 session. Emily Levin with Vermont Energy Investment Corporation (VEIC) gave a presentation providing an overview of the EESE Board’s (and its EERS Committee) role in the EERS 2021-2023 planning process, the objectives of that planning process, the process for developing the Plan, with a focus on the EESE Board’s public engagement process, and the guiding principles for the EERS plan.

VI. Conclusion

The EESE Board has endeavored to be a forum for collaboration and information sharing, and to assist the state in the development of a comprehensive approach to energy cost savings, clean energy jobs, and a stronger and more secure energy future for New Hampshire. In addition to the main discussion items and presentations, at each meeting there is an opportunity for updates on state programs, policy items, and activities. All attendees are welcome to share updates on issues where they have particular knowledge or interest. Through these updates members remain informed about a wide range of energy-related policy and program topics, including the status of grant and financing programs, implementation of projects, events, and policy issues such as building codes, net metering, the state's Renewable Portfolio Standard, the Regional Greenhouse Gas Initiative, and budgets.

The EESE Board appreciates the engagement and immense time contribution of so many interested parties, including its volunteer members, non-voting participants, and many other public and private stakeholders. This contribution by so many participants in support of dialogue, inquiry, analysis and sharing of ideas has created a unique opportunity for the state to draw on a wide variety of experience and knowledge as it navigates the next steps to move its energy efficiency and sustainable energy agenda forward. To focus its efforts in 2020, the EESE Board hopes to develop a list of priorities that will be updated annually as needed. The priorities for 2020 will likely include continuing EESE Board monitoring of the adoption of updated international energy codes by the State and providing comment on updated energy codes when and where feasible; providing ongoing input to the development and adoption of a new 2021-2023 Statewide Energy Efficiency Resource Standard, and to continuing to engage with programs and entities throughout the state engaged in energy efficiency and renewable energy.

The EESE Board looks forward to continuing its role as an “enhanced stakeholder board” in the development and evaluation of the Energy Efficiency Resource Standard. *See Gas and Electric*

Utilities, DE 17-136, Order No. 26,095 at 15-16 (January 2, 2018); *Gas and Electric Utilities*, DE 15-137, Order No. 25,932 at 34, 60-61 (August 2, 2016). In 2020, the Board will continue to receive updates and provide input to its designee on the Evaluation, Measurement and Verification Working Group pursuant to the Settlement Agreement approved by the Commission in DE 17-136. See Order No. 26,095 at 15-16 (January 2, 2018). In addition, the Board will provide a forum at its monthly meetings for regular updates from the other working groups established by the Settlement Agreement in DE 17-136. The Board anticipates that its EERS Committee will assist the Board in developing recommendations for the filing of the 2021-2023 Energy Efficiency Plan.

The EESE Board looks forward to building on the knowledge gained from its previous work and helping the state to meet the next set of challenges and opportunities in energy efficiency and sustainable energy.

Respectfully Submitted,
Rebecca Ohler, Chair