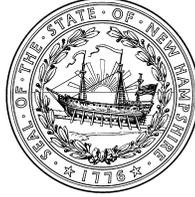


STATE OF NEW HAMPSHIRE

CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Clifton C. Below
Amy L. Ignatius

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



PUBLIC UTILITIES COMMISSION
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-3878

Website:
www.puc.nh.gov

November 1, 2010

Senate President Sylvia Larsen

Speaker of the House Terie Norelli

Senator Martha Fuller Clark, Chair, Senate Energy,
Environment and Economic Development Committee

Representative Naida Kaen, Chair, House Science,
Technology and Energy Committee

Richard Ober, the Energy Efficiency and Sustainable Energy Board

Interim Report on Independent Energy Efficiency and Sustainable Energy Study
Pursuant to NH Chapter 335 of the Laws of 2010

I. Background

The Energy Efficiency and Sustainable Energy (EESE) Board has devoted considerable time to exploration of existing energy programs within New Hampshire and how the goals and resources for these programs relate to aggressive energy and environmental targets for New Hampshire, including those adopted in the state's March 2009 Climate Change Action Plan. The EESE Board recognizes that these targets require large-scale public and private sector investments in energy efficiency and clean energy technologies including renewable energy.

The Legislature and the EESE Board identified the need for support to assess and develop new policies and approaches to meet the state's energy goals. As a result, earlier this year, the NH Legislature passed NH Chapter 335 of the Laws of 2010 ("SB323"). SB323 charges the Public Utilities Commission (PUC) to "contract for an independent study, through means of a nonadjudicative investigation utilizing a broad collaborative process, regarding legislative, regulatory, and market-based policy options to address the following issues:

(a) A comprehensive review and analysis of energy efficiency, conservation, demand response, and sustainable energy programs and incentives in the state, and recommendations for possible improvements to maximize their effectiveness and increase coordination of those programs and incentives.

(b) The appropriate role of regulated energy utilities, providers of energy and energy efficiency, and others in helping the state and consumers achieve the state's energy efficiency potential for all fuels.

(c) The effectiveness and sustainability of all funds available to stimulate investment in energy efficiency and clean energy to advance the state's energy goals.

(d) Policy changes that may be necessary in order to achieve the state's energy efficiency and sustainable energy goals and to create the most cost-effective delivery systems to ensure optimum use of state funds, initiatives, and programs.”

SB323 also requires the PUC to work in cooperation and close consultation with the EESE Board in choosing an independent consultant and managing development of the study, and calls for submission of an interim report on the results of the study on or before November 1, 2010, with a final report due November 1, 2011.

II. Study Coordination Team

A “Study Coordination Team,” consisting of PUC personnel and individuals chosen by the EESE Board Chair in consultation with the PUC, was established to assist in the selection of an independent consultant and coordination of the energy study work to be performed. That committee has the following members, all of whom have very actively participated in this Study Coordination Team process:

Clifton Below, PUC Commissioner
Dan Feltes, NH Legal Assistance
Tom Frantz, PUC Electric Division
George Gantz, Unutil
Gil Gelineau, PSNH
Meredith Hatfield, Office of Consumer Advocate
Michael Licata, NH Business & Industry Association
Joanne Morin, NH Office of Energy & Planning
Jack Ruderman, PUC Sustainable Energy Division
Deborah Schachter, NH Charitable Foundation

Ms. Hatfield and Ms. Schachter serve as co-chairs of the committee.

III. Progress to Date

The Study Coordination Team (“the Team”) met throughout the course of the summer, on June 28, July 15, July 29, August 5, and August 17, to develop and issue a Request for Proposals (RFP) for the selection of the independent consultant to conduct the energy study. A draft of this RFP was shared with the full EESE Board and addressed at its meeting on August 13. The final RFP was issued on August 25, 2010, with responses due on September 24, 2010.

The Team met on October 6, 2010 to review and score proposals, and held interviews with top bidders on October 18th. The Team then met on October 21st to finalize scores for the bidders who were interviewed and to select a winning bidder to recommend to the PUC. Criteria for review and selection were:

- a. Institutional experience and expertise in energy efficiency, sustainable energy, program design and implementation, and evolving energy technologies.
- b. Knowledge and experience *of those staff specifically assigned to the project*, including their prior work assignments in New Hampshire, elsewhere in New England, as well as in other states or jurisdictions.
- c. The depth, breadth of scope, and level of detail of work that the consultant/s will be able to provide while staying within the stated cost ceiling.
- d. Cost of consulting services and expenses, relative to value provided, including the competitiveness of the proposed hourly rates, any proposed discounts, etc.
- e. Demonstrated ability to engage a broad set of stakeholders in policy discussion and formulation in an effective and efficient manner.
- f. Demonstrated ability to offer strategic insights into the tradeoffs and policy decisions that the study will inform.
- g. Overall responsiveness to the requirements of the RFP, including completeness, objectivity, clarity and quality of the proposal, and availability and accessibility of staff assigned to the project.
- h. Conclusion drawn from interviews, if performed, relative to factors a. through g., above.

On October 26, 2010, based on these criteria, the Team made a unanimous recommendation to the PUC pursuant to RSA 21-I:13-a, II. The PUC at its meeting on October 29, 2010, unanimously decided to accept the Team recommendation and selected Vermont Energy Investment Corporation (VEIC) as the winning bidder. The PUC has

begun contract negotiations with VEIC in an effort to engage the selected consultant and begin work on the study by December 2010.

IV. Next Steps

Upon selection, the consultant is expected to meet with the Team, and to participate approximately every two weeks in a conference call with the Team to provide status updates on the progress of the energy study. The consultant will prepare and deliver a detailed outline of the issues to be addressed by the study, meet with the EESE Board for consultation and discussion of the report in progress, gather stakeholder input, and prepare and deliver a draft report for review.

V. Conclusion

This energy study comes at a critical time for our state, and will provide a road map of recommendations and options to guide New Hampshire forward toward a sound energy future. The Study Coordination Team and the Public Utilities Commission look forward to participating in this important independent study process, along with the Energy Efficiency and Sustainable Energy Board, and to reporting back to the legislature on the results of the study a year from now.