

**Minutes**  
**Energy Efficiency and Sustainable Energy Board**  
**Public Utilities Commission, Room 100, Concord, NH**  
**9 AM – 12:00 PM**  
**July 8, 2011 Meeting**

**\*Items underlined and in color are hyperlinked to documents.**

**Members in Attendance:** Joanne Morin of OEP, sitting as chair for Richard Ober of the NH Charitable Foundation, Jack Ruderman of NH Public Utilities Commission, Meredith Hatfield of the OCA, Mike Fitzgerald for Robert Scott of DES, Beth Fischer for HBRANH/Build Green NH, Bob Reals, Jr. of NH DRED, Dick Henry of the Jordan Institute via conference call, Karen Rantamaki, State Energy Manager, Representative James Garrity, Representative Naida Kaen, Tim Fortier of NH Municipal Association, Alan Linder for Dan Feltes, NH Legal Assistance, and Ben Frost for Dean Christon of NH Housing.

**Non-Voting Members in Attendance:** Tom Belair for Gil Gelineau of PSNH, Debra Hale of National Grid, Tom Palma for George Gantz of Unitil, David Warren for Jim Grady of Lightec and Janet Ackerman for People's United Bank.

**Welcome and Introductions.** The meeting commenced at 9:08 am.

**1. Minutes of the May and June EESE Board Meetings.**

- The minutes of the May 20, 2011 meeting were held over in "Draft" format until the July meeting due to a minor drafting issue which has been resolved. The May 20, 2011 minutes were approved unanimously as previously filed.
- The June 10, 2011 minutes were approved. There was a question, however, about a reference to the CORE programs exceeding goals by 30%. VEIC will attempt to verify this statement with PSNH prior to the next board meeting.

**2. State Legislative Update – Jack Ruderman**

- The Shoreline Protection Bill which was amended to include a repeal of RGGI was vetoed by Governor Lynch. The House and Senate could not reach an agreement on a separate bill to repeal RGGI, HB 519. A new bill title regarding repeal of RGGI has been filed for the next legislative session.
- Two bills on RPS were retained and will be brought back next session. The PUC, which was mandated by the Legislature to review the RPS law, has held four public stakeholder sessions on RPS and also provided interested parties with an opportunity to provide written comments. The PUC will soon begin drafting its report, which will be submitted to the Legislature by November 1, 2011.

A short discussion followed.

**3. Federal Legislative [Update](#) – Sarah Holmes from Senator Shaheen's Office**

- The Energy Savings & Industrial Competitive Act of 2011 is a federal bill sponsored by Senators Shaheen and Portman. This bipartisan bill seeks to put forward non-

controversial aspects of the '09 energy bill designed to increase the use of energy efficiency and reduce the country's reliance on fossil fuels.

- Major areas of focus in the Legislation include:
  - Buildings
    - Provisions to upgrade home and commercial building efficiency include stronger national model building codes and the goal of net-zero-energy buildings by 2030.
  - Appliances
    - Standards for lighting, HVAC, and other products based on agreements between manufacturers and efficiency advocates.
  - Financing
    - A revolving loan program to help manufacturers pay for energy efficiency upgrades.
  - Federal Government Efficiency
    - Requirement that the federal government, as the single largest energy user, adopt energy saving techniques to save taxpayer dollars.

The BIA indicated the support of its members for this energy legislation. A short discussion followed.

#### **4. Municipal Energy Working Group – Ben Frost**

- The Municipal Energy Working Group and the Local Energy Committee Working Group have overlapping missions and membership, and have been discussing ways to combine efforts for greater effectiveness.
- Toward this end, the Municipal Energy Working Group put forward a motion to dissolve this EESE Board subcommittee and to allow its activities to be assumed by the Local Energy Working Group – currently an ad hoc group which might become more formalized, possibly as a stand-alone nonprofit.
- Discussion followed, including the question of how the EESE Board would know that the Local Energy Working Group is continuing to function properly. Participants agreed that open communication with the EESE Board would be a given. After further discussion the motion was withdrawn to allow more time for consideration, with a new motion and vote anticipated for the next meeting.
- The Working Group agreed to send out the group's draft goals to provide further scope and clarity regarding the intended efforts of the Local Energy Working Group.

#### **5. VEIC [Presentation](#) – Draft Report – Christine Donovan, Jeff Taylor and Scudder Parker**

- Co-Chair of the Study Coordination Team (SCT), Meredith Hatfield, led off the discussion stating that this has been a year-long process and it is an exciting moment. Comments on the draft report are due by July 22, 2011, and should be submitted in either Word format or email to one or both of the SCT co-Chairs. All comments will be provided to VEIC.
- At the September 9, 2011 meeting, VEIC will present the final report and the executive summary that was intentionally deferred so that it can fully reflect the final report.

- The purpose of today’s presentation is to orient the EESE Board to the draft report and to focus on the highest level of recommendations. There will be mistakes, needed additions and deletions to the draft report.
- VEIC Overview of Draft Study:
  - The study context is that in 2008, total NH energy expenditures were \$6 Billion and this continues to rise yearly. Of that \$6 Billion, 68%, or \$4.1 Billion immediately leaves the state.
  - In order to sustain orderly market development programs need to adapt and adjust to move the market.
  - The key ingredients to make positive change are: to have a coherent policy and regulatory framework; to have a clear and stable message to market players; to make participation easy; to have sustainable public funding; and finally, to stimulate and leverage private investment.
  - There are 10 separate “mini-reports” combined within the draft report. They are: 1) Community Planning & Engagement, 2) Building Energy Codes & Enforcement, 3) State Government Leading by Example, 4) EE Portfolio Level Review, 5) Residential EE Core Programs, 6) Commercial and Industrial EE Programs, 7) Sustainable Energy Programs, 8) Smart Grid Deployment, 9) Utility Performance Incentives, and 10) Financing.
- Brief Summary of Report Chapters:
  - We need to think of the future, increase opportunities and decrease barriers. Look for opportunities at the state level, including a state development plan, to include an energy component. Foster more programs such as PAREI. On a local level, look at the rules that drive development patterns.
  - Building codes are critical for new construction as well as for existing buildings. VEIC basically adopted recommendations of the BCAP group re codes.
  - As the single largest energy user, the state can really lead by example and move the market, but it is not currently treated as a single large industrial customer with an account management level of service. Can address at the policy as well as the coordination level. The signing of Governor Lynch’s 2011 Executive Order set a strong foundation.
  - Core utility programs are exceeding their goals and customers are satisfied. However, goals are not set high enough. VEIC looked at the overall portfolio across utilities, as well as assessments of the residential, C&I, and low income/weatherization programs. There is some coordination between electric and gas utilities. Some programs are oversubscribed and market development is limited. Made suggestions for further coordination. Possibly increase the SBC for more cost effective savings.
  - RPS sends a strong statement; however, the way the Alternative Compliance Payments are structured will not move the market.
  - Smart-grid – automated metering can be about reducing energy consumption and customer empowerment; very important as a policy framework issue.

- The state has a lot of financing programs, but we are approaching the end of the ARRA bubble. Some revolving loan money will remain, but not a lot. Need to come up with innovative ideas. Have not yet given up on PACE legislation.

A short discussion followed.

Break at 10:27 and resumed at 10:45

#### **6. Resumed VEIC discussion – Scudder Parker**

- This process has been one of building relationships and reaching out to NH stakeholders to seek the best ways to help lower costs for all of NH. There are a series of strategies that will put tools in people’s hands. Need to figure out what is not working well in the marketplace and then figure out how to fix it.
- There is no clear statement in NH of policy regarding energy efficiency, and this makes the regulatory process more complicated and less rigorous. NH needs a clear policy, so we can move from asking what the right goals are, and instead focus on the “how” of market development in particular market segments, what we are learning from programs, etc.
- Urge discussion of an EE Resource Standard at the legislature. This gives the regulators guidance re how to regulate. Decoupling is not a substitute for policy goals.
- Tie utility incentive structure to stretch goals. Don’t fight over details of program implementation; allow a flexible and responsive approach in exchange for performance.
- Core programs should be as consistent and statewide as possible, though can still have a utility-specific brand.
- VT PACE legislation is OK with Fannie Mae and Freddie Mac, because lien is junior.
- 3<sup>rd</sup> party verification is very important.
- Need a single entity as focal point for EE/SE initiatives and coordination that has both resources and analytical capability.

A detailed discussion followed.

#### **7. RGGI Grantee [Presentation](#) – DRED/Lakes Region Community College – Bob Reals, Jr. from DRED, Tom Goulette and Andy Duncan from Lakes Region Community College**

- The goal of this program was to increase the number of trained energy auditors in the NH work force. Received \$174,000 RGGI grant which allowed for a major reduction of tuition costs and the purchase of an infrared camera.
- The students came from all around the state and classes were held in 7 different locations. There were 222 total students and out of 176 that took the BPI (Business Performance Institute) exam; 151 became BPI certified. In 2010 8.5% of the students became employed in the energy field and 10% started their own energy businesses. Overall, the program has been a huge success with many increasing their skills in their present job positions. There

were also 90 homes from around the state that were used as volunteer houses so that the students could go in and perform an energy audit with a mentor.

- The students have mentors to provide them with guidance on technical skills, marketing and how to run a small business.

#### **8. Outreach and Education [Presentation](#)– Beth Fischer and Mary Downes**

- Presentation is an overview of the [Burgess Report](#), Chapters III and IV.
- The committee continues to meet monthly. The next meeting is July 27, 2011 at OEP.
- Key findings from Burgess:
  - Appealing to consumers' desires to save money is tricky to use in messaging; it is easier to talk to people about what they are wasting now and not what they will save later.
  - Coordinate messaging with other groups and piggyback on existing communication outlets from respected sources. Use social media such as Facebook and Twitter.
  - Use promotional incentives whenever possible.
  - Use spokespeople and influencers such as community leaders to get message out. Reach out to children, who can pass the message on to their parents.
  - Need to define the audiences. Messages should be crafted separately for different types of businesses.
  - Emphasize cost savings and introduce case studies of actual businesses, ideally in the same industry.
- Proposing a three phase communications plan. These phases are not definitive.
  - Phase I – Conduct research among NH residents and businesses, including a phone survey and focus groups in Beacon Communities.
  - Phase II – Develop outreach materials and a training program for partners.
  - Phase III – Launch statewide outreach & education plan featuring an energy information web portal. Need to identify what messaging is most effective.
  - Mary Downes was asked if there was money available to implement the final phases of the project. She stated that there is \$200,000 of ARRA money that needs to be spent by the end of April 2012. The contract with Burgess is just shy of \$50,000.

A detailed discussion followed.

#### **9. Program Updates**

Local Energy Working Group will be meeting on July 27, 2011 at OEP from 1-3.

Jack Ruderman reported as follows:

RGGI – There was another auction in June resulting in revenue to New Hampshire of more than \$900,000. Revenues have declined significantly and there is a concern that this trend could negatively impact our ability to fund new programs.

Renewable Energy Fund – ACP's (Alternative Compliance Payments) are the sole source of income for the renewable energy program. The payments received this year so far amount to \$600,000 but one supplier has indicated it will file a report and make a payment of around \$1.2 Million. However,

the supplier indicated it may need to amend its compliance report and that may reduce the amount owed.

The solar PV rebate program has been suspended but the Commission will see whether it is feasible to re-open the program once the final amount of revenue is known. The Commission is still accepting applications but they are put on a waiting list and rebates won't be paid until there is sufficient funding. Rebates will be paid in the order that they are received.

The solar hot water program has taken off. It is funded with State and ARRA funds. The ARRA funds were boosted from \$750 to \$2,000 and over 250 applications have been received, depleting the ARRA funding. The Commission has notified installers about this and asked for recommendations regarding an increase in the state portion of the rebate.

The C&I rebate program is doing well with 35 applications so far.

C&I RFP – RFP went out in April. The initial review team has narrowed the list of proposals and interviewed some of the applicants. In the next phase the team will provide its recommendations to the PUC Commissioners, who will conduct a second level of review and will make final decisions on which proposals to fund, subject to approval of Governor and Council. This may take 4 to 8 weeks.

The meeting adjourned at 12:17.