

**Final Minutes**  
**Energy Efficiency and Sustainable Energy Board**  
**Public Utilities Commission, Room A, Concord, NH**  
**9 AM – 12:00 PM**  
**September 9, 2011 Meeting**

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

**Members in Attendance:** Richard Ober of the NH Charitable Foundation, Eric Steltzer of OEP, Jack Ruderman of NH Public Utilities Commission, Meredith Hatfield of the Office of Consumer Advocate, Mike Fitzgerald for Robert Scott of DES, Beth Fischer for Home Builders and Remodelers Assoc. of NH, Bob Reals of NH DRED, Betsy Segal for Dick Henry of the Jordan Institute, Karen Rantamaki, State Energy Manager, Representative James Garrity, Representative Naida Kaen, Tim Fortier of NH Municipal Association, Dan Feltes, NH Legal Assistance, Wes Golomb for NH Sustainable Energy Association.

**Non-Voting Members in Attendance:** Gil Gelineau of PSNH, Debra Hale of National Grid, George Gantz of Unitil, Jim Grady of Lightec and Carol Woods for NH Electric Cooperative.

**Welcome and Introductions.** The meeting commenced at 9:05 am. Chairman Ober noted that this was Commissioner Below's last EESE Board meeting and thanked him for all his contributions to the EESE Board. The full EESE Board acknowledged Commissioner Below's service with appreciation.

**1. Minutes of the July 8, 2011 EESE Board Meeting.**

- The minutes of the July 8, 2011 meeting minutes were approved unanimously as filed.

**2. Local Energy Working Group – Eric Steltzer - Mission; Team Tasks; Goals**

- The Local Energy Working Group (LEWG) followed up on its presentation at the previous Board meeting, seeking to address any member concerns regarding the proposed merger of the Local Energy Committee Working Group with the EESE Board's Municipal Energy Working Group.
- The two groups have common goals and overlapping membership. If a new group is formed it will be a stand-alone entity but will have strong connections to the EESE Board. There are three members on the team that are also on the EESE Board.
- Several Board members spoke in favor of the proposed merger. Other members noted that the EESE Board has a statutory duty with respect to municipal energy issues, and expressed interest that the group should be a sub-group of the Board, so it would be tied to a public body, subject to Right to Know Law requirements for public meetings.
- It was explained that the intent of the new group is to be accessible to the public. The group will not have decision-making power; it will be a public forum that is fully transparent and open, and its meeting minutes will be publicly posted.
- After further discussion, it was agreed per suggestion of Chairman Ober that a sub-group meet before the next EESE Board meeting to explore whether and how the creation of a "hybrid" entity might satisfy everyone's concerns and goals. Decided therefore that the Board would take no formal action at this time. Volunteering to participate and named to serve on this group and make a recommendation on how to

proceed were: Jim Garrity, Eric Steltzer, David Borden, Jim Grady, Carol Woods, Mike Fitzgerald, Tim Fortier, and Julia Dunderf.

- Commissioner Below noted there may be some legal issues to explore and offered to have the PUC's legal counsel look into them.

### **3. Overview of Performance Audit – John Clinch, LBA Audit Division**

- The Legislative Budget Assistant is conducting a performance audit of the PUC, EESE Board, and Office of the Consumer Advocate.
- The LBA will be looking at the efficiency of the EESE Board and whether it duplicates other areas of state government. Since the Board is large the auditors will be doing a web-based survey of board members instead of individual interviews.
- The final report will be submitted to the legislative fiscal committee, likely in March. Prior to that the LBA will discuss any findings with Chairman Ober and he will have an opportunity to respond.

### **4. VEIC [Presentation](#) – Key Findings and Recommendations - Christine Donovan, Jeff Taylor and Todd Sbarro**

- Chairman Ober thanked the members of the EESE Board's Study Coordination Team (SCT) for their efforts relative to the study. Meredith Hatfield thanked the members of the SCT and all those who reviewed the draft VEIC report and provided written comments on the draft. George Gantz thanked the SCT's co-chairs, Meredith Hatfield and Deborah Schachter for their efforts, and noted that the process put in place by the SCT has worked extraordinarily well, resulting in a high quality report that exceeded his expectations.
- Commissioner Below noted that the SCT had provided VEIC with feedback on its report but had not exercised editorial control. He stated that the PUC would review the final version of the report to ensure it complies with the contract between the state and VEIC, and then will post the report on the PUC website. The PUC will not offer substantive comments except through its participation in any process by the EESE Board.
- Deborah Schachter noted that VEIC will be making two public presentations on the report.
- Christine Donovan of VEIC gave a PowerPoint presentation on the SB323 study and distributed written handouts. She noted that VEIC had received a tremendous amount of written comments on the draft report from EESE Board members and other stakeholders.
- The report is framed around energy and the economy. Reliable and affordable energy is critical to survive in Northern New England and this is a vital issue. In New Hampshire in 2008, 90% of primary energy use was from fuels imported from other states or countries. NH households spend 10-50% of income on energy.
- New Hampshire has three choices:
  - Energy Conservation: Doing less and using less energy, i.e., using clothes lines and biking to work or school.
  - Energy Efficiency: Doing the same or more with less energy.
  - Using local, indigenous renewable resources: solar, wind, hydro, geothermal or biomass.

- At this moment there is a significant amount of public money available for energy programs; however, soon ARRA funding (total \$72 million from 2010 – 2012) will be gone, leaving a huge gap.
- The SBC-EE benefits are a 3-1 benefit to cost ratio. New Hampshire should look into potential to use SBC funds to help offset some of the lost ARRA funding for energy efficiency.
- New Hampshire is a national leader in the biomass industry and has a long history of power generation from local wood fuels.
- There is an opportunity to build support for sustainable energy and energy efficiency programs due to the positive employment opportunities they create. In 2010, there were 13,000 “clean” jobs created in New Hampshire; this grew by 5.3% annually from 2003 to 2010. The wages for these jobs are above the median wages of other NH jobs.
- The broader impacts of NH’s various sustainable energy programs are:
  - Energy efficiency and sustainable energy markets in New Hampshire are really beginning to take shape.
  - Energy efficiency and sustainable energy are not about ideology, they are about exercising sound business practices.
  - Key business interests aligned around and benefitting from the markets.
  - Utilities and other businesses are making money on energy efficiency.
  - There are waiting lists for various energy efficient and sustainable energy programs.
  - The regional electric grid is paying money for demand resources, i.e., energy efficiency.
- The challenge facing New Hampshire is how to leverage the solid foundation in place now for increased energy efficiency and sustainable energy for the future and how does New Hampshire hold on to the momentum from the ARRA programs.
- The next steps to increased energy efficiency and sustainable energy include both high-level policy recommendations for the legislature, the executive branch, and state planners and regulators as well as additional program-level recommendations directed at program administrators/managers.
- The next 7 most important next steps are:
  - Refocus and clarify state energy policy direction; have a single comprehensive policy in place.
  - Develop clearer regulatory guidance: “Efficiency First” (energy efficiency resource standard, least cost procurement requirements, etc.)
  - Improve the regulatory process and performance incentives: “Collaborate don’t litigate.”
  - Increase program coordination and further streamline administration; have a trusted, single source of contact.
  - Coordinate and scale finance programs to attract and leverage private investment.
  - Create a home for energy efficiency and sustainable energy implementation and oversight within the state government.
  - State and local government continue to lead by example.

Break taken at 10: 38; meeting resumed at 10:55.

## **VEIC Presentation continued – Key Land Use & Community Energy Findings & Recommendations – Jeff Taylor**

- Land use has a big impact on energy consumption. There are public and rulemaking issues that are driving this. Are we allowing people to live in areas with compact development or are we making them have five acre lots? We need to look for ways to make downtown areas more attractive and look towards longer term policies.
- State government should revise and follow the State Development Plan and Smart Growth statutes and include a formal Energy Policy.
- Regional entities such as PAREI should continue to support, assist and encourage citizens to be energy efficient.
- Local government should take energy efficient measures and insulate town halls and form base codes encouraged by NH OEP and RPCs.

## **Key Energy Finance Findings & Recommendations – Todd Sbarro**

- Financing cannot be offered in isolation. Must coordinate with market demand stimulation mechanisms. It takes time to establish successful programs.
- Unification of messaging is important. New Hampshire needs to see that messaging is effective and that the programs are really working together.
- The programs in New Hampshire are new and are heading in the right direction, but capital levels are not adequate or sustainable.
- Very little going on in the residential sector. There is a level of risk involved; however, it is only small risk. Getting the banks to be involved is important.
- Key recommendations:
  - Have a single administrator, a state-wide program that will scale, clarify, coordinate, be cost-effective, and ensure easier access to the public.
  - Have a “team approach” to explore and identify the real issues and address them.
  - Address capital levels and sustainability.
  - Implement demand stimulation and risk mitigation mechanisms such as Qualified Energy Conservation Bonds, (QECB’s).
  - Finally, increase/refine marketing and outreach so that sustainable energy options appeal to the New Hampshire population.

Christine Donovan finished by reminding the Board that there will be two public presentation days in fall 2011 and/or winter 2012, and thanking all for selecting VEIC to do this study.

## **5. Discussion Re: Developing Recommendations Upon Review of the Energy Study and Next Steps.**

- Chairman Ober noted that SB 323 requires the EESE Board to provide its recommendations regarding the VEIC report to the Legislature as soon as practicable. He announced his intention to appoint a committee of the Board to do an in-depth review of the study and provide guidance to the Board in developing recommendations for the legislature relative to the study. Volunteers for this committee were: Mike Fitzgerald, Chris Skoglund, Gil Gelineau, George Gantz, Beth Fischer and Jim Grady. Others who wished to volunteer were

invited to contact Diane Bateman at the PUC. Chairman Ober will come back to the EESE Board at its next meeting with named committee members, and further direction regarding the committee's charge.

- Noted that outreach should be done to make stakeholders aware of the value of the report. George Gantz urged the EESE board to promote the study (but not necessarily its specific policy recommendations) via outreach to stakeholders.
- The SCT will meet one more time, and it might be useful to craft a two-page summary with highlights of the SB 323 report.
- Representative Garrity indicated he will notify members of the House Science Technology and Energy Committee that the report is available when it is accepted by the PUC and posted on the PUC website. He also requested that the EESE Board focus on the report's 7 key recommendations, and create a table showing the steps (near-term, mid-term, and long-term) needed to implement the recommendations.

#### **6. RGGI Grantee [Presentation](#) – LighTec – Jim Grady**

- LighTec received a \$316,000 RGGI Grant in 2009.
- The results from this grant were:
  - The RGGI grant leveraged \$1.73 Million.
  - Building retrofits resulted in energy savings of \$344,000 annually.
  - The grant enabled LighTec to add 3 full-time positions.
- There were 3 tasks that LighTec needed to accomplish.
  - Task 1 was to perform 3 investment grade energy audits. These audits were done for the Town of Wolfeboro; Holy Cross Condo Association; and, the Town of Merrimack.
  - Task 2 was to increase energy efficiency in 13 educational facilities, 2 municipalities and 2 industrial facilities. LighTec implemented 21 energy saving projects within 60 facilities. They exceeded the emission reduction goal by 133% and end-users saved \$344,000 cumulatively in annual energy costs. The combined annual energy savings are: 1,405 MMBTU; 2,075 MWhrs and 621 kWhrs.
  - Task 3 was to educate and train students, faculty and maintenance employees. There were 5 presentations done, 14 lobby displays and 12 newsletters distributed. These materials can be viewed on LighTec's website at [www.lightec.net](http://www.lightec.net).

#### **7. Program Updates**

##### **Renewable Energy Fund, RPS and RGGI – Clifton Below and Jack Ruderman**

- Commissioner Below reported on the results of Wednesday's regional auction of RGGI emission allowances. Allowances sold at the floor price of \$1.89. Total proceeds to NH were just under \$500,000. This was the next to last auction for the 3 year compliance period which ends in December. Sales of allowances declined. This is a result of emissions having been below the regional cap that was established at the outset of the RGGI program, and may also be due to compliance entities having already purchased a large portion of the

allowances needed for the 3 year compliance period. It is likely that auction proceeds will increase in the next compliance period, beginning with the March 2012 auction.

- Renewable Energy Fund
  - There were ten energy suppliers submitting RPS compliance reports in July for the 2010 calendar year. The total amount of Alternative Compliance Payments (ACPs) was \$2.625 million, which is very good news. For Class I & II the payments were relatively small; the bulk of the payments came from Class III and IV.
  - The next step is to craft program budgets. It appears that there will be enough money to keep all the programs open. The residential PV program may be able to be re-opened. The rebate amount has been lowered from \$6,000 to \$4,500 maximum.
  - The PUC will also be able to meet all the requirements of HB 1270 and can issue an RFP for renewable energy projects by March.
  - Allocation of the funds are as follows: 41% for residential and 59% for Commercial and Industrial.
- RPS
  - The RPS review is going well and the PUC is drafting the report that is due to the Legislature on November 1.
  - The PUC received a lot of input from stakeholders in public comment forums and through written comments. They are incorporating this feedback into the report.
- RFP – Commercial & Industrial
  - The RFP process is complete. The Commission has chosen to award grant funds for 5 proposals that total close to \$1 million. The awards are contingent on approval by the Governor and the Executive Council. By statute the Commission cannot divulge details about the grants until the G&C process is completed.
- RGGI
  - RGGI has not been repealed. An effort to override the Governor's veto of the RGGI repeal legislation was unsuccessful in the NH Senate.
  - There are a number of success stories surrounding RGGI. We need to get the word out regarding the success RGGI has produced. Barbara Bernstein and Jack Ruderman recently did a site visit at the Rochester Waste Water Treatment Plant, the recipient of a 2009 grant of more than \$300,000 to replace an inefficient aerator. Senator Groen also attended the site visit. The facility manager reported that the plant has seen huge energy efficiency gains that went far beyond the city's expectations.
  - At the end of the year there will be a three-year review process by of the RGGI program conducted by the participating states.

### **Outreach and Education – Beth Fischer**

- The Burgess Report was handed out to the Board members. Later this month the Outreach and Education committee will reconvene and hold a strategy session on how to proceed and what the next steps are.
- An RFP for Technical Assistance will be issued.

### **Other updates**

- The next EESE Board meeting will be October 14.
- EESE Board's annual report to the legislature is due Dec. 1
- Rep. Garrity briefed the EESE Board on five retained energy bills. First work session will be Tuesday at 10:15 a.m.

The meeting adjourned at 12:15 p.m.