

**Minutes**  
**Energy Efficiency and Sustainable Energy Board**  
**Public Utilities Commission, Room A, Concord, NH**  
**9 AM – 12:00 PM**  
**December 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 Office of Energy and Planning, Jack Ruderman of NH Public Utilities Commission, Meredith Hatfield of the Office of Consumer Advocate, Mike Fitzgerald for Robert Scott of Dept. of Environmental Services, Beth Fischer for Home Builders and Remodelers Assoc. of NH, Bob Reals, Jr. of NH Dept. of Resources and Economic Development, Dick Henry of the Jordan Institute, Jackie Hanscome for Karen Rantamaki, State Energy Manager, Representative James Garrity, Alan Linder for Dan Feltes, NH Legal Assistance, Wes Golomb for NH Sustainable Energy Association, Representative Naida Kaen, Ben Frost for Dean Christon, NH Housing Authority.

**Non Voting Members in Attendance:** Gil Gelineau of PSNH, Debra Hale of National Grid, George Gantz of Unitil, Charlie Niebling of NH Wood Pellet, and Carol Woods for NH Electric Cooperative.

**1. Welcome and Introductions**

**Minutes of November 16, 2011 EESE Board Meeting**

- The minutes of the **November 16, 2011** meeting were approved unanimously as filed.

**Additional Agenda Items**

- Alan Linder of NH Legal Assistance asked that the Board consider adoption of formal governance rules and that this be added to a future meeting agenda. Such rules would be intended to make how the Board operates more transparent.

**2. Legislative Update – Representative Garrity**

- Rep. Garrity shared a brief overview of legislative issues expected to come before the NH House and Senate in the coming session, beginning in January. These include topics connected to RPS (House & Senate), RGGI, electric utility restructuring and deregulation of the electric industry, eminent domain, and other renewable energy issues.
- The bills had recently been assigned to committees.

**3. SB 323 (VEIC) Energy Study Working Group**

- The Energy Study Review Committee's role is to "slice & dice" the VEIC Study and provide a report on the study to the Board so that the Board can make its own recommendations to the legislature.
- The committee is engaged in a long-term effort and will stay on the Board's agenda to allow frequent interaction between the Review Committee and the entire Board.
- The timing of the Committee's work will not necessarily align with the current legislative session. The best means to consider how the VEIC Study relates to the current legislative session may be through a Legislative Work group.

- Last session, such a group held biweekly calls to gather legislative updates for presentation to the full Board. A similar process will be initiated with Rep. Garrity and Mike Licata of the NH BIA as point persons.
- The Board approved the proposed members of the Energy Study Review Committee and noted that committee meetings are open to all.
- Chris Skoglund (NHDES) & Deborah Schachter (Charitable Foundation) will co-ordinate the committee's efforts. The determination of who will chair the committee will be made at a future Board meeting once the new membership has been identified.

#### **4. RGGI Grantee Presentation – City of Rochester**

- The City of Rochester received a \$394,000 RGGI grant for an aeration blower upgrade project at the City's municipal wastewater treatment plant (WWTP).
- The WWTP uses aeration blowers to mix oxygen into the "mixed liquor" to manage the secondary - biological - treatment process. The old compressors provided a near steady flow regardless of demand - positive displacement blowers that were ~60% efficient at full speed and were very noisy.
- A variable aeration blower is one of the most effective means to reduce energy use in a WWTP. The facilities typically consume more electricity than any other municipal facilities.
- The new blower made in Denmark is a gear driven unit with proven history of operation and that is 88% efficient across a range of operating speeds.
- The RGGI grant paid for one of the two new blowers that was installed. Each blower cost \$220,000 with a total of \$172,000 in construction costs. A PSNH grant provided an additional \$54,000.
- The project has lowered the City's previous electric bills of \$25,000 a month by \$18,000 to \$19,000 a month. The return on investment of this project is anticipated to be 5 years. Without the RGGI grant it would have been 10 years and the City would not have pursued it.
- Board members encouraged the City to share their story with other towns in recognition of the fact that they benefited from the investment of public dollars. Chris Skoglund of NH DES noted that DES staff were looking to provide forums in the coming year for municipalities to learn about these projects and share best practices and that Rochester will be asked to participate.

#### **5. PUC Overview of RPS Report to Legislature**

- Kate Epsen of the NH PUC Sustainable Energy Division presented an overview of the recently completed 2011 Renewable Energy Portfolio Standard (RPS) Review.
- The NH RPS requires utilities & competitive energy suppliers to procure Renewable Energy Certificates (RECs) representing a specific percentage of their total energy supply from 4 classes of renewables. Alternative Compliance Payments (ACPs) can be made in lieu of RECs.
- The RPS review was mandated in the enabling legislation and the report covers the activity in the past 3 yrs.
- Kate noted that renewable energy can be regionally sourced and that each state has a slightly different program and market.
- Mike Fitzgerald from DES wondered whether the RECs bought & sold could be tracked to determine the state impact of the program. The Generation Information System (GIS) that certifies the RECs has this level of data specificity but the RPS legislation doesn't require utilities and competitive suppliers to track and report this level of data.

- Rep Garrity noted that this would be a good discussion to have in front of a legislative committee to inform people what it would take to track the impact that the NH RPS has on in-state renewable generation.
- In turning to the average cost incurred by a household in 2010, the RPS cost ~75 cents per month. This assumes the average household uses 500 kWh of electricity with per unit cost impact of \$0.0015/kWh.
- Looking forward, it is forecast that REC prices will continue to get lower; by 2021 the price is anticipated to be \$3.50/REC.
- Currently, utilities pay lower REC prices than competitive electricity suppliers. Utilities tend to settle their RPS obligations with a higher proportion of RECs than competitive electricity suppliers; 98% versus 67%.
- As part of the public stakeholder process it was observed that the public wants transparency, longevity, consistency & flexibility.
- Main recommendations drawn from the review process include:
  - Clarifying whether RPS goes beyond 2025;
  - Clarifying and amending the hydro powers role and eligibility;
  - Considering how small solar electric PV being installed now can take part in the market;
  - Clarify treatment of self-suppliers;
  - Some want thermal energy and/or CHP;
  - Energy efficiency, though important, does not have a place in the RPS;
- There also needs to be a clarification on how rebates apply to power purchase agreements (PPAs) where one entity, which hosts a project, enters into a 10-20 year contract to buy the power produced from a third party owner. The rule needs to be clarified to allow the third party to receive rebate payments.
- During follow-up comments to the presentation, Charlie Niebling expressed disappointment that PUC recommended further study of adding a thermal component to the RPS.
  - The State needs an “outcome based policy” rather than a pathway based policy. Electricity makes sense as a point of regulation and intervention as it’s easy to quantify and manage but need a broader policy to ensure best and highest use of the state’s renewable resources.
- Jack Ruderman noted that this is an issue where the legislature needs to take the lead because the PUC doesn’t set policy for the state. Expressed that the report was not saying that electric RPS is the only or best way to go.

***BREAK***

Better Buildings Updates (Added to Agenda) - Kate Peters, Program Director

- Provided a presentation of the progress made over the last year since the program was first rolled out. The presentation noted the number of residential and commercial projects that have been completed; the number of banks that have joined the program; and the number and type of loans that have closed.
- As the program has not moved as quickly as originally hoped in terms of the number of projects completed, the BB team is considering amending the program to increase the number of projects. This revision may include changing the incentive structure as well as expanding the territory served to communities outside Berlin, Plymouth, and Nashua.
- In terms of expanding the geographic area, this may include providing on-bill financing around the state; and expanding the commercial loan program outside the 3 communities.

- The timing of opening up to other locations may be mid- to late- winter 2012. Proposed revisions to DOE will be finalized in a month to 6 weeks; BB staff is open to ideas in the meantime.

## **6. Municipal Energy Working Group – Eric Steltzer**

- Provided an update on what the Local Energy Working Group has been doing. Includes a meeting of their Outreach & Education, Finance, and Technical Assistance Teams. These teams are focusing on specific areas that can assist communities in their efforts to reduce energy costs.
- One of the teams is involved in planning the 4<sup>th</sup> annual Local Energy Solutions Conference that will be held on March 31<sup>st</sup> at Merrimack Valley High School.

## **7. Outreach and Education Working Group – Beth Fischer**

- The next working group meeting will be in January 2012.
- Beth Fischer will be stepping down as co-chair; a new co-chair will be chosen once the next slate of EESE Board members is seated.
- There is also an effort to bring the partners who participated in the 2011 Home Show together again for the March 2012 Home Show.
- Chris Skoglund of NHDES noted that at a recent G&C meeting, a team lead by UNH, and including the UNH Coop Extension’s Energy Answers, and the Lakes Region Community College, had a contract approved to expand the Button-Up Program. This will include workshops around the state and other elements.

## **8. EESE Board Leadership Transition - Dick Ober**

- The meeting concluded with a discussion of Board membership, Board governance, and leadership transition. Dick Ober announced that after serving as Chair of the Board for three years, he was stepping down.
- Commissioner Ignatius had asked for letters of interest to serve on the Board at the November EESE Board meeting, and indicated that letters of appointment would be sent out shortly after the December EESE Board meeting.
- In a discussion of rules of engagement for the Board, it was observed that it might be worthwhile to codify some of the Board’s practices. Rep. Garrity suggested that from a certain date forward Board members’ organizations should no longer be eligible to apply for programs over which the board has any oversight.
- Dick Ober recognized the potential value of that suggestion and also noted that the Board doesn't make recommendations regarding the funding of any projects.
- Dick Ober’s final reflections on how to sustain work of the Board included the observations that:
  - The VEIC study incorporates a wide range of issues that the Board has addressed over the last three years.
  - In terms of leadership, the statute simply calls for a chair. The Board currently has a chair and a vice-chair. This vice-chair position had been held by Jack Ruderman and then by Eric Steltzer. This role seems important to continue, especially during the leadership transition period. Eric will be stepping down and Dick has asked George Gantz from Unitil to take on the vice-chair role. Although Ganz cannot formally

serve as chair, since he is a non-voting member, he can lead the Board as vice-chair on an interim basis until the Board elects a new chair.

- In conclusion, Dick noted that the Board and the issues that it considers are about NH values of independence, self-sufficiency, and successful public & private partnerships. 100 years ago our energy came from 100% local and renewable wood & water. Today's challenges are not going to be solved overnight.