

EERS Study Working Group Report

On November 15, 2013, *Increasing Energy Efficiency in New Hampshire: Realizing our Potential*, a study commissioned by the Office of Energy and Planning to evaluate implementation of an Energy Efficiency Resource Standard (EERS) in NH, was released (referred to as the “EERS Study”).

The Study concluded that expanding cost-effective energy efficiency in NH is economically beneficial to the state and to ratepayers. The Study’s recommendations are aimed at increasing the capture of cost effective energy efficiency through the existing “CORE” utility energy efficiency programs as well as removing market barriers and improving market signals to increase energy efficiency investment outside of the utility programs [in the private market].

The 2013 EERS Study follows the 2011 VEIC *Independent Study of Energy Policy Issues*. Upon extensive review of that report the EESE Board concluded in their November 30, 2012 recommendations to the NH General Court, that: “The overarching finding of the study and review is that energy efficiency and renewable energy technologies provide significant economic and environmental benefits to residents, business owners and investors in New Hampshire and appropriate policies need to be developed.” The EESE Board recommendations further concluded that “New Hampshire should develop and establish an Energy Efficiency Resource Standard (EERS) as a means to promote cost-effective energy efficiency as the first-priority energy resource for our state.”

The current EERS Study was undertaken partially in response to this strong 2012 recommendation from the EESE Board. The 2013 EERS Study continues to support the 2012 EESE Board recommendation and further supports the conclusion that:

1. It is in the economic interest of the State of New Hampshire to support market development in the state that encourages capturing all cost effective energy efficiency that can be obtained at a cost lower than the cost of supply, estimated in the Study to be energy savings equivalent to 6.6% of 2012 electric sales. Achieving this would require an expansion of utility programs and substantial private sector participation within a 5 year period; and
2. The CORE utility energy efficiency programs should be ramped up in order to achieve a minimum reduction in energy use equivalent to 1.6% of 2012 electric sales within a 3 to 5 year period from the start of a program; and
3. The PUC should continue to have regulatory oversight over the development of the utility programs and should implement and oversee a collaborative stakeholder process. This stakeholder process should address the study’s recommended strategies including, but not limited to, whether and to what extent rate reconciliation mechanisms should be considered for investor-owned utilities, and development of a robust evaluation,

monitoring, verification and reporting process. This collaborative stakeholder process should begin in the near term.

In addition to the above three specific recommendations there are other complimentary policies identified in the EERS Study, the VEIC Independent Study and other documents that may improve the efficacy of specific programs or help achieve market development and reach the greater economic and sustainability goals for the state. It is anticipated that further discussion of complementary policies will occur during the recommended stakeholder process

Numerous studies and reports support implementation of an EERS in New Hampshire. In addition to the EERS Study and the VEIC Independent Study, the American Council for an Energy Efficient Economy's (ACEEE) 2013 State Energy Efficiency Scorecard lists a number of strategies for improving energy efficiency. First on that list is "Put in place, and adequately fund, an energy efficiency resource standard or similar energy savings target." New Hampshire's ranking fell by 2 points and 3 places in the current scorecard. ACEEE awards states with effective an EERS a full three points. ISO-New England also documented the relatively minor amount of energy efficiency savings in New Hampshire as compared to other New England states in their energy efficiency forecast for 2015 to 2021.

In conclusion, the EERS Study lays out policy tools and strategies that will enable New Hampshire to achieve all cost-effective energy efficiency in the coming years.