

MINUTES

ENERGY EFFICIENCY AND SUSTAINABLE ENERGY BOARD

RSA 125-0:5-a
21 South Fruit Street, Suite 10
Concord, N.H. 03301-2429
9am – 12 pm
Friday, June 20, 2014

Board members in attendance: Kate Peters (PSNH, Acting Chair); Jack Ruderman (PUC); Theresa Swanick (NHMA); Karen Rantamaki (DAS); Ben Frost (NHHFA); Carol Woods (NHEC); Brian Ramsey (BIA); Becky Ohler for Mike Fitzgerald (NHDES); Brandy Chambers (NHOEP); Kate Epsen (NHSEA); Cindy Carroll (Unitil); Susan Chamberlin (NHOCA); Mike Behrmann (Revolution Energy); Dana Nute for Laura Richardson (Jordan Institute).

- 1. Welcome and Introductions.**
- 2. Minutes of May EESE Board Meeting.**

The minutes of the May 16, 2014 EESE Board meeting were approved.

- 3. August EESE Board Meeting.**

A motion for the Board to not meet in August was approved.

- 4. Draft State Energy Strategy – Meredith Hatfield, Director, Office of energy and Planning**

Ms. Hatfield gave a slide [presentation](#) on the draft State Energy Strategy. Key points included:

Energy Efficiency

- A number of past studies including those done by VEIC inform the strategy's recommendations on better reaping the benefits of energy efficiency in New Hampshire.
- Address utility disincentives through rate redesign
- Establish an Energy Efficiency Resource Standard (EERS).
- Establish a "Green Bank" model to leverage private financing and increase program coordination.
- Market the value of high efficiency buildings.

Grid modernization

- Navigant seemed to be pleasantly surprised that NH has the distributed Energy Resources statute (RSA 374-G) on the books already. This can support grid modernization efforts.
- Grid structure is behind the curve of what is technologically available today, and will need upgrading to meet renewable goals of future.
- PUC should open a docket for exploring smart grid needs in the state.

At this point board members engaged in a discussion of RSA 374:G, New Hampshire's Distributed Energy Resources statute. It was noted that the law is very forward thinking, but the State needs to find a way to make it work. Ms. Hatfield noted that the legislature did recently make some adjustments to the law.

Renewables

- Strategy discusses both distributed and grid-scale generation of renewable energy.
- Renewables offer increased energy independence and resilience, as well as economic opportunity.
- PUC could open docket to examine whether rate design changes could better incent DG by recognizing the value that it provides to the grid.
- Explore ways to use the existing Renewable Energy Fund (REF) to increase the leveraging of private financing.
- Investigate whether Renewable Portfolio Standards (RPS) targets align with economic potential.
- Examine the state's RPS Alternative Compliance Payment (ACP) levels within the regional context.
- Develop model processes for implementing property tax exemptions for renewable energy systems, as allowed under RSA 72:61-72.
- Examine if Feed in Tariff is a better incentive than the current net metering structure.

Fuel Diversity

- Diversity of fuels helps consumers deal with price and supply fluctuations.
- Local economic benefits also to be had with diversified fuel use.
- Strategies: attract more private financing for clean energy projects, perhaps in coordination with efficiency financing through a "Green Bank."
- Convert customers to natural gas who *already* have access.

- Continue the development of the renewable thermal requirement of the RPS.
- Clarify permitting requirements for trucked natural gas transfer stations to extend gas access to off-main consumers.
- Develop outreach and education programs on the advances in technology, costs, and benefits of alternative fuels.

There followed a brief discussion focused primarily on questions and issues pertaining to the increased usage of natural gas for heating as well as for transportation.

Transportation

- NH's transportation accounts for 35% of energy usage, all of which is imported.
- Electric vehicles (EVs) are going to be a growing consumer of energy, but will be overall more cost effective per mile.
- NH is the only state in region to not have adopted CA-LEV standards; this should be revisited.
- Install and support EV charging infrastructure.
- Support alternative fuel fleets, assist municipalities with this.
- Offer support for smart-growth development.
- Anti-idling efforts are easy and logical ways of reducing fuel usage and emissions.

Board members then offered questions and comments, several of which concerned the recommendation to support municipal smart growth initiatives. Also discussed was the relevance of the state Climate Action Plan.

The Board also discussed the lack of specific goals in the strategy, and why that is and how possible recommendations for goals might be integrated. It was noted that the Board could play a role in helping to recommend those goals.

The Board also noted that there was a lack of information on regional actions/what's happening in other states, and that looking to other states could help shape some of New Hampshire's goals.

OEP noted that it will be including an introductory and background section in the final strategy that will cover some of those issues.

The Board noted the importance of engaging the finance community in these discussions, as many of the state's sustainable energy goals can be met only with substantial private sector funding. There was a discussion about the scale of the financing, and how that would impact the strategy for outreach. For example, in MA with the HeatLoan program, financing has been provided mainly by smaller banks, and the program has been very successful.

The Board discussed other recommendations that it might want to make to OEP on the strategy. Many of these were contained in the Independent Study (SB323), and include:

- Separating OEP from the Governor's office in order to improve continuity of staffing and policy implementation.
- Increased funding of some kind for efficiency, including a possible repeal of the RGGI rebate (\$1 threshold).

5. Board and Program Updates

- Jordan Institute (Laura Richardson): C-PACE advisory committee meeting next week, has engaged diverse stakeholders including bankers and other states (Texas, CT). Stay tuned.
- PUC (Jack Ruderman):
 - Order on the thermal RECs issued yesterday. There will be a public hearing on the revised RPS rules on June 27.
 - Group net metering rules are in process. Draft rules were issued in early January, final rules are being worked on. A public hearing will be held on the draft final rules, and then the final rules will go to JLCAR.
 - The Commission is revising the RFP (issued annually) for renewable energy projects, with the assistance of a Franklin Pierce University professor who is helping the Commission revise the evaluation criteria in the RFP. The goal is to reduce subjectivity and increase the use of objective measures in the evaluation criteria. The process of revising the RFP should be completed next month.
 - The annual budget for the REF will be released in the coming months. Preliminary results suggest that there will be a substantial inflow of funds this year, perhaps \$16-20 million. We have ideas for expanding our existing grant programs and adding new ones, but we will have to go to the fiscal committee to get approval to spend the full amount,

because our legislative appropriation for this year was only \$7.8M. Overall state budget conditions could impact that approval.

- PUC (Les Stachow):
 - Provided update on the EERS process. Interviews sometimes taking up to 5 hours, which has delayed process a bit. Now expecting to have a straw man proposal out in mid-July.
 - DES (Becky Ohler):
 - HB1129 requires work by OEP, DES, and PUC on efficiency, as well as a focus on State efforts. Working on a plan for that now.
 - DES has been continuing its efforts to incorporate climate change considerations into all of the agency's work—e.g. for wastewater treatment plant permits, now requiring life cycle analysis of system cost and energy use, rather than requiring low-bid. Really focused on creating institutional change and valuation of climate change efforts. First in the country to do this, working with EPA and developing guide book for others to replicate it.
 - OEP (Brandy Chambers): On the siting project (SB99), OEP's work is finished, a formal SEC process will be starting at some point. The Board may want to think about whether or how it would be appropriate to participate.
6. **Adjourn.** The meeting was adjourned at 11:26 am.