

STATE OF NEW HAMPSHIRE



**Energy Efficiency and Sustainable Energy Board
RSA 125-O:5-a**

Eighth Annual Report

Prepared for:
Governor Margaret Wood Hassan
President of the NH Senate
Speaker of the NH House
Chair of the Energy and Natural Resources Committee
Chair of the House Science, Technology and Energy Committee
Public Utilities Commission

December 31, 2015

I. Introduction

This annual report provides an update on the activities of the Energy Efficiency and Sustainable Energy Board and its recommendations for action, pursuant to RSA 125-O:5-a IV.

II. Background

The Energy Efficiency and Sustainable Energy Board (“EESE Board”) was created in 2008, by RSA 125-O:5-a. The Board’s central charge is “to promote and coordinate energy efficiency, demand response, and sustainable energy programs in the state.” A key purpose for establishing the EESE Board was an increasing awareness that energy efficiency is the least expensive and cleanest energy resource, and that New Hampshire must do more to promote energy efficiency and sustainable energy resources as a means to bolster the state’s economy and spur business innovation, improve energy security, reduce customer costs, and protect the environment. To this end, the EESE Board is directed to develop a plan to achieve the state’s energy efficiency potential as well as the economic and environmental sustainability of the state’s energy system, including development of clean energy resources, and to ensure that the state is providing leadership on energy efficiency and sustainable energy matters.

The Chair of the Public Utilities Commission (PUC) convened the first organizational meeting of the EESE Board on October 1, 2008, and the Board has met roughly nine to twelve times a year since that time. The Board is administratively attached to the PUC, which provides administrative support.¹ The PUC hosts a comprehensive webpage for the EESE Board and other interested parties where all meeting materials and background information can be found: www.puc.nh.gov/EESE.htm.

¹ Administrative Support and Contact for the EESE Board is the PUC: (603) 271-2431, puc@puc.nh.gov.

III. Statutory Duties

The EESE Board's duties are broad. They include, but are not limited to:

- Reviewing available energy efficiency, conservation, demand response, and sustainable energy programs and incentives and compiling a report of those resources in New Hampshire;
- Developing a plan to achieve the state's energy efficiency potential for all fuels, including setting goals and targets for energy efficiency that are meaningful and achievable;
- Developing a plan for economic and environmental sustainability of the state's energy system including the development of high efficiency clean energy resources that are either renewable or have low net greenhouse gas emissions;
- Exploring opportunities to coordinate programs targeted at saving more than one fuel resource, including conversion to renewable resources and coordination between natural gas and other programs which seek to reduce the use of nonrenewable fuels;
- Developing tools to enhance outreach and education programs to increase knowledge about energy efficiency and sustainable energy among New Hampshire residents and businesses;
- Expanding upon the state government's efficiency programs to ensure that the state is providing leadership on energy efficiency and sustainable energy including reduction of its energy use and fuel costs;
- Encouraging municipalities and counties to increase investments in energy efficiency and sustainable energy through financing tools, and to create local energy committees;
- Working with community action agencies and the Office of Energy and Planning to explore ways to ensure that all customers participating in programs for low-income customers and the Low Income Home Energy Assistance Program (LIHEAP) have access to energy efficiency improvements, and where appropriate, renewable energy resources, in order to reduce their energy bills; and
- Investigating potential sources of funding for energy efficiency and sustainable energy development and delivery mechanisms for such programs, coordinating efforts between funding sources to reduce duplication and enhance collaboration, and reviewing investment strategies to increase access to energy efficiency and renewable energy resources.

IV. Members and Public Participation

The members of the EESE Board, designated by RSA 125-O:5-a, II, include representatives of business and non-profit organizations and associations, legislators, state agency heads, consumer representatives, as well as several non-voting members representing electric and natural gas utilities, banking, and businesses in relevant energy efficiency and sustainable energy industries. The members represent a wide range of interests that help inform the Board's work. Members as of November 2015 are:

Acting Chair:

Kate Peters, Eversource — utility appointment by PUC Chair, RSA 125-O:5-a, III(a) (non-voting)

Voting Members:

Susan Chamberlin — Consumer Advocate, RSA 125-O:5-a, II (c)

Ryan Clouthier, Southern NH Services, Inc. — not-for-profit appointment by PUC Chair, RSA 125-O:5-a, II, (l)

Karen Cramton — PUC Chair designee, RSA 125-O:5-a, II (a)

Jeffrey Cyr — Fire Marshal designee, RSA 125-O:5-a, II (n)

Kate Epsen --- NH Sustainable Energy Association — not-for-profit appointment by PUC Chair, RSA 125-O:5-a, II (l)

Ben Frost — Housing Finance Authority designee, RSA 125-O:5-a, II (o)

Dennis Labbe — NH Legal Assistance designee, RSA 125-O:5-a, II (h)

Sen. Jerry Little — Senate President appointment, RSA 125-O:5-a, II (k)

Carmen Lorentz — DRED designee, RSA 125-O:5-a, II (e)

Rick Minard — OEP designee, RSA 125-O:5-a, II (b)

Rebecca Ohler — DES designee, RSA 125-O:5-a, II (d)

Vacant — NH Homebuilders and Remodelers Association designee, RSA 125-O:5-a, II (i)

Herbert Richardson — House Speaker appointment, RSA 125-O:5-a, II (j)

Brian Ramsey — Business and Industry Association designee, RSA 125-O:5-a, II (f)

Karen Rantamaki, State Energy Manager — DAS designee, RSA 125-O:5-a, II (m)

Laura Richardson, The Jordan Institute — not-for-profit appointment by PUC Chair, RSA 125-O:5-a, II (l)

Theresa Swanick — NH Municipal Association designee, RSA 125-O:5-a, II (g)

Rep. Chuck Townsend — House Speaker appointment, RSA 125-O:5-a, II (j)

Non-Voting Members:

Michael Bruss, Bruss Construction, Inc. — energy services co. appointment by PUC Chair, RSA 125-O:5-a, III (b)

Michael Behrmann, Revolution Energy, LLC— renewable energy business appointment by PUC Chair, RSA 125-O:5-a, III (c)

Cindy Carroll, Unitil/Northern — utility appointment by PUC Chair, RSA 125-O:5-a, III (a)
Art Letendre, Merrimack County Savings Bank — investment community appointment by PUC Chair, RSA 125-O:5-a, III (d)
Eric Stanley, Liberty Utilities — utility appointment by PUC Chair, RSA 125-O:5-a, III (a)
Carol Woods, NH Electric Coop—utility appointment by PUC Chair, RSA 125-O:5-a, III (a)

The Board has since its inception appreciated and encouraged attendance and participation of the public at its meetings. Business, municipal and nonprofit leaders and other stakeholders regularly attend the EESE Board’s monthly meetings and are encouraged to bring relevant energy experience to the Board’s discussions. In all, 94 people are on the Board’s email distribution list, not including Board members. The Board recognizes that energy consumers, business leaders, municipal officials, energy efficiency and sustainable energy professionals, and other concerned members of the public and private sectors are all crucial to achieving our state’s energy goals.

V. Description of 2015 Activities

The EESE Board met ten times in 2015: in January, February, March, April, May, June, , August, October , November and December. Meeting agendas, minutes, presentations, and other materials from all of the EESE Board’s meetings can be found on the PUC’s EESE Board webpage: www.puc.nh.gov/EESE.htm.

In addition, the Board has utilized a working group structure to meet its broad statutory goals, enabling work between Board meetings and opportunities for participation from both EESE Board members and non-members. The only active working group in 2015 was the Energy Efficiency Resource Standard (EERS) Subcommittee.

Energy Efficiency Resource Standard

At the February 20 EESE Board meeting Leszek Stachow, Assistant Director of the PUC Electric Division gave a presentation on a document recently completed by PUC staff, “Energy

Efficiency Resource Standard – A Straw Proposal for New Hampshire. The presentation described the process used to collect information from stakeholders and covered many aspects and challenges associated with possible implementation of and EERS.

On March 13, 2015, the Commission opened an investigation to consider an EERS for New Hampshire. Related materials to that investigation including Staff Straw Proposal can be found on the PUC's webpage: <http://www.puc.nh.gov/Regulatory/Docketbk/2015/15-072.html>.

On May 8, 2015, the Commission opened a docket to begin the process of establishing a framework for an Energy Efficiency Resource Standard:
<http://puc.state.nh.us/Regulatory/Docketbk/2015/15-137.html>.

The Board established an EERS Subcommittee, which met three times; after the May 15 EESE Board meeting, on May 29th and after the June 19th EESE Board meeting. The role of the subcommittee was to discuss developments regarding the EERS docket, make recommendations to the Board on whether there were any actions the Board should take, and generally keep the Board updated on the topic. Many members of the subcommittee and Board were interveners in the docket for their own organizations. As the year progressed the Subcommittee did not find the need to meet additional times. The PUC staff and members who were involved in the docket gave updates at Board meetings and there was no request or recommendation that the Board itself take additional action during the docket process.

The Board sent two letters to the PUC on the EERS topic. The first letter was discussed and voted on at the March 15 Board meeting. This letter was sent as part of the opportunity for public comments on PUC Docket IR 15-072, which was opened by the PUC to solicit input on the previously discussed Straw Proposal. The letter responded to specific items in the order where consensus could be reached and indicated other areas where consensus had not been

reached. The letter requested that the PUC hold one or more information technical session in order to provide adequate opportunity for input. The full letter can be found here:

<http://www.puc.state.nh.us/EESE%20Board/Meetings/2015/032015Mtg/Letter%20to%20PUC%20EESE%20Board%20Comments%20in%20IR%2015-072%20on%2004-3-15.pdf>

The second letter, on Docket IR 15-137, indicated the Board's continued interest and desire to coordinate with the PUC in its investigation of an EERS. The letter referred the PUC to prior comments made in the letter on IR 15-072 as well as the Board's work and recommendations on EERS stemming from the SB323 Independent Study. The letter also offered the Board meetings as a venue for education and discussion on the topic. The full letter can be found here:

<http://www.puc.state.nh.us/EESE%20Board/Subcommittee%20Docs/Mtg052915/EESE%20Letter%20Re%20DE%2015-137,%2006-02-15.pdf>

On August 21, 2015 The EESE Board coordinated with PUC staff to hold a short Board meeting followed immediately by a technical session for DE 15-137 on the topic of EERS and funding. This coordination allowed a number of EESE Board members and stakeholders who had not previously attended technical sessions to attend one at the regular EESE Board meeting time.

Presentations

The EESE Board frequently solicits presentations from projects and programs working on issues of interest to the Board. In 2015 the Board heard updates from several existing New Hampshire programs as well as presentations from outside experts on energy policy.

- January: The January meeting included a presentation on a new Permitting, Zoning and Interconnection Guide for NH Residential Rooftop Solar PV. The guide was developed

by GDS Associates with grant funding from NH OEP. Scott Albert of GDS and Karen Cramton formerly of NH OEP, presented. The Guide provides useful information for residents installing solar PV, including state policies, permits & fees, zoning & laws, soft costs and barriers. The Guide is available electronically on the OEP website at:

<http://www.nh.gov/oep/resource-library/energy-publications.htm>

- February: Leszek Stachow presented EERS – A Straw Proposal for New Hampshire, discussed in the EERS section above.
- March: Karen Rantamaki, State Energy Manager and Michael Connor, Deputy Director, Dept. of Administrative Services gave an overview of the State’s Energy Performance Contracts, focusing on Four buildings on Hazen Drive in Concord. The four buildings, The Morton Building (DOT), Division of Motor Vehicles, 27/29 Hazen (DES, DHHS, DoIT, labs and 33 Hazen (Department of Safety) have a combined current energy cost of \$2.5 Million. The total cost for the performance contract is \$12.4 Million. The projects will result in an estimated annual savings of \$950,000 with a payback of 13.4 years. Fossil fuel use will be reduced by 71%. There are additional state buildings in queue for future projects.
- April: In April, the Board held a short meeting for program updates and discussion of the schedule and the Board’s upcoming work for the year. There was no presentation.
- May: There was no presentation at the May 15 EESE Board meeting. However, the Board had been invited to attend a presentation on May 14 at the Legislative Oversight Committee on Electric Restructuring. On the 14th Dr. Martin Kushler of ACEEE gave a presentation regarding EERS and his observations and experience from policies

implemented in other states. Dr. Kushler's presentation included information on EERS as an important measure to advance all cost effective energy efficiency, positive economic effects, financing and approaches for an appropriate regulatory framework for utilities operating under an EERS. The presentation and audio can be found on the Committee's website: <http://gencourt.state.nh.us/statstudcomm/committees/1079/documents.html>

- June: Jim Lazard, Senior Advisor for the Regulatory Assistance Project joined the Board for a presentation on Decoupling. He discussed how utility rate designs such as decoupling can work when a state wants to increase energy efficiency. The presentation provided information on ways to structure decoupling, examples from around the world, impacts of rate designs and some discussion of alternative designs. Board members and stakeholders participated in a robust question and answer session with Mr. Lazard after the presentation.
- July: There was no meeting of the EESE Board in July.
- August: In August the EESE Board held a short meeting for program updates and then adjourned. Members remained at the PUC for a technical session on the EERS docket DE 15-137.
- September: There was no meeting of the EESE Board in September.
- October: The October meeting included a panel discussion with residential Home Performance contractors. Three contractors on the panel, Mike Joy from Mill City Energy, Bill Newell from Newell & Crathern and Jon Schippani from Building Efficiencies, discussed their work, how efficiency funding levels impact their business, how they interact with the utility programs and what they hear from customers in the field. Also in October, the Board heard a presentation by Ellen Hawes, Senior Analyst,

Energy Systems and Carbon Markets at Acadia Center. Ellen discussed a new report on the Value of Solar in New Hampshire. The presentation is available on the PUC's EESE webpage, under the October 16, 2015 meeting heading:

<http://www.puc.nh.gov/EESE.htm>

- November: The November meeting included a review of the Home Energy Score presented by Rick Minard of NH OEP and Scott Albert of GDS Associates. The Board meeting adjourned early and members remained for a DES RGGI Stakeholder session.
- December: The December meeting focused on finalizing the 2015 Annual Report and planning for 2016 meetings.

Legislative Monitoring

The Legislative Subcommittee did not hold regular meetings during 2015. However, members following legislation gave the Board regular updates on legislation pertaining to energy issues.

VI. Conclusion

The EESE Board has endeavored to be a forum for collaboration and information sharing and to assist the state in the development of a comprehensive approach to energy cost savings, clean energy jobs, and a stronger and more secure energy future for New Hampshire. The Board appreciates the engagement and immense time contribution of so many interested parties, including its volunteer members, non-voting participants and many other public and private stakeholders. This contribution by so many participants in support of dialogue, inquiry, analysis and sharing of ideas has created a unique opportunity for the state to draw on a wide variety of experience and knowledge as it navigates the next steps to move its energy efficiency and

sustainable energy agenda forward. The EESE Board looks forward to building on the knowledge gained from its previous work and helping the state to meet the next set of challenges and opportunities in energy efficiency and sustainable energy.

Respectfully Submitted,

Kate Peters, Acting Chair