

The EERS Committee of the Energy Efficiency and Sustainable Energy Board

Minutes: March 3, 2017, Hearing Room A, Public Utilities Commission

Prepared by D. Maurice Kreis, Committee Chair

Present: Rick Minard; Eric Stanley, Liberty Utilities; Becky Ohler, Department of Environmental Services; Mike Mooiman, Franklin Pierce University and Jordan Institute; Stephen Tower, New Hampshire Legal Assistance; Carol Woods, New Hampshire Electric Cooperative; Rhonda Bisson, Eversource; Kate Peters, Eversource; Jodie Lucci, Lightec; Ben Frost, New Hampshire Housing Finance Authority; David Borden; Ned Reynolds, Johnson Controls; Mary Downes, Unital; Christine Donovan, Vermont Energy Investment Corp.; Dick Henry; D. Maurice Kreis, Office of the Consumer Advocate. Via phone: Les Stachow, Public Utilities Commission; Scott Albert, GDS, Kate Epsen, New Hampshire Sustainable Energy Association

Having been duly warned pursuant to RSA 91-A, the meeting was called to order at 9:02 a.m.

Minutes Approved: On motion of David Borden, seconded by Stephen Tower, the committee approved without amendment the minutes of the February 22, 2017 meeting.

Recommendations concerning Non-Energy Impacts: The Committee had a robust discussion of a topic addressed at Workshop 2 held on February 17: the potential use of Non-Energy Impacts (NEIs) – i.e., impacts (both positive and negative apart from energy savings) as a part of the cost-benefit analysis that will be applicable to the programs offered by utilities to meet the Energy Efficiency Resource Standard when it begins in 2018. Discussion focused on (1) relying on quantifiable data as to such impacts vs. the Vermont approach of applying a 15 percent “add” as a conservative estimate as opposed to estimating the impact to be zero, and (2) whether to include NEIs in the cost-benefit analysis given skepticism about ratepayer-funded energy efficiency among some in elective office and private industry. On behalf of the PUC Staff, Les Stachow indicated a preference for an “evidence-based” approach rather than applying an adder based on an assumed value for NEIs. There was agreement that evidence did not necessarily have to be specific to New Hampshire but that data from nearby states would be more valuable than data from more distant jurisdictions. On behalf of the utilities, Rhonda Bisson stressed that as the program administrators, it would be the responsibility of the utilities to produce any evidence upon which quantification of NEIs would be based.

Jodie Lucci, seconded by David Borden, moved that, given the emerging best practice in energy efficiency program design and development, the Committee request that the utilities consider an **evidence-based approach to valuing Non-Energy Impacts in their proposed plan to implement the Energy Efficiency Resource Standard**. With the representatives of the utilities and PUC Staff abstaining, the Committee adopted the motion by unanimous voice vote.

Financing Options: The Committee discussed questions arising out of the discussion at Workshop 3 of financing options. During the discussion, it became apparent there is both a long-term and a short-term dimension to this issue: In the short term, how can we maximize the deployment of energy efficiency measures under the new Energy Efficiency Resource Standard by making realistic financing options available to customers? In the long term, what innovative financing options, approaches and even institutions should we develop? Discussion ranged from the possibility of securitizing System Benefit Charge revenue much as the Legislature securitized revenue from the Stranded Cost Recovery Charge pursuant to the PSNH Restructuring Settlement Agreement of 1999, to the WHEEL (Warehouse for Energy Efficiency Loans) programs in Kentucky and Pennsylvania, to the PAYS (pay as you save) program of on-bill tariff financing first piloted in New Hampshire 15 years ago. According to Kate Peters of Eversource, at present there are “already lots of lenders willing to make loans” for energy efficiency projects in New Hampshire; Mary Downes of Unitil suggested that the Committee articulating goals in the area of financing to be helpful but proposing solutions to be less helpful.

Following this discussion, it was the consensus of the Committee that (1) there should be a further discussion of this subject at the February 16, 2017 meeting, with the objective of seeking to articulate some goals in the realm of financing to pass along to the EESE Board, and (2) that the Committee should, in the coming months, engage in further discussion of financing options with an eye toward improving the Committee’s understanding of finance-related issues and ascertaining the extent to which innovation would be useful and appropriate.

Timing of draft EESE Implementation Plan from Utilities: Speaking on behalf of the utilities, Kate Peters advised that the utilities were seeking an additional month (i.e., to May 30, 2017) to provide the EESE Board and the EERS Committee with the initial draft of its Energy Efficiency Resource Standard implementation plan that will ultimately be submitted to the Commission in late September. Kate explained that the workshops had been more robust than the utilities and expected and that modelling potential plans in light of the insights obtained at the workshops was taking longer than expected. Discussion focused on the impacts of providing the Committee with somewhat less time to review the draft plan and the possibility of having the utilities deliver a less complete draft plan closer to the originally expected date of April 30.

At the conclusion of the discussion, it was the consensus of the Committee that a complete draft plan was desirable and that, accordingly, the Committee should recommend that the EESE Board authorize the utilities to **defer submission of their draft plan to May 30**. The Committee also agreed that would be useful in these circumstances for the leadership of the EESE Board to confer with the utilities and make a plan as soon as possible for reviewing and discussing the draft plan in June and July given that many people are on vacation and otherwise busy during those months. As Christine Donovan put it in her capacity as the EESE Board’s consultant, it would be good to know as soon as possible what the “road map” would be – and “who’s driving,” with respect to both schedule and process.

House Bill 2: The Committee continued its discussion, begun at the February 22 meeting, of this language in the “trailer” budget bill (i.e., House Bill 2, concerning the Fiscal 2018-19 state budget): “For the biennium ending June 30, 2019, the public utilities commission shall not expend any funding on the implementation of an energy efficiency resource standard without prior approval of the fiscal committee of the general court.” There was agreement that it would be useful for individual Committee members, as well as representatives of the utilities and other private sector firms, to communicate their views to key legislators and leadership of the Business and Industry Association (BIA) in light of that group’s longstanding interest in the subject of energy efficiency. There was also agreement that it would be good for the EESE Board’s Outreach and Education Committee to schedule a meeting with representatives of the BIA.

Next meeting: The Committee noted that its next meeting would take place on Thursday, March 16 from 9:00 to 11:00, the main purpose of which would be to hear feedback from the utilities about insights gained during the workshops. Noting that it was not clear where the meeting would take place, Don Kreis agreed to make and/or confirm suitable arrangements.

Adjournment: The meeting adjourned at 11:46 a.m., with apologies (again!) from the chair for a packed agenda causing the meeting to go into overtime.