



**VEIC Review of  
2018-2020 NH Statewide Energy Efficiency Plan  
Draft dated May 31, 2017**

**1.0 Executive Summary, 2.0 Introduction, 3.0 2018-2020 Portfolio**

**Christine Donovan  
June 13, 2017**

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# Agenda Today

- Christine Donovan review:
    - 1.0 Executive Summary
    - 2.0 Introduction
    - 3.0 2018-2020 Portfolio
  
  - Abby White review:
    - 4.0 Customer Experience, Marketing, and Education
  
  - Brian Pine review:
    - 5.0 Financing
  
  - Enable other stakeholder feedback and discussion / iteration with NH utilities
  
  - Review upcoming meeting dates and agenda for next meeting
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## Desired Outcomes for NH (Overall, Not Program Specific)

- Increase program yields
  - Serve more customers
  - Increase customer savings
  - Further develop and expand NH's product and service provider infrastructure
  - Result in sustained, orderly market development
  - Stimulate private investment and the use of new financing approaches
  - Increase awareness of the job creation and economic development impacts of EE
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## Introduction

- My comments today based on fast, high level review of non-program sections of draft plan
  - Detailed comments program by program and on Performance Incentives and EM&V are coming on 6/27 and 7/5 and potentially 7/11
  - VEIC team have not yet completed their program-specific reviews
  - As a result, there may be some evolution / refinements in comments made today over time
  - This is because to stay on schedule:
    - VEIC review comments to come to EERS Committee so ...
    - EERS Committee can provide its comments to the EESE Board by 7/21 ...
    - VEIC team needs to work in parallel and ...
    - Start reporting to the EERS Comm. before our reviews are done and known to each of us!
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# Key Aspects of Plan & VEIC Review Comments

- Congratulations to the:
    - Long-lived collaboration among the NH Utilities
    - Increased coordination and integration of program offerings in 2018-2020 plan
  
  - 2018-2020 vision identifies EE as key strategy for building a modern and sustainable energy future (p. 7) with 3 main elements (p. 12)
    - Market transformation
    - Capturing all cost-effective EE
    - Delivering value of EE to the NH economy
  
  - The vision “calls out” (p. 7):
    - Expanding the product and service provider infrastructure
    - Stimulating private investment
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# Key Aspects of Plan & VEIC Review Comments (con't)

- Guiding principals used during development of the plan (p. 14) include:
    - ❑ Provide a portfolio of electric and gas programs available to all customers, with secondary focus on fuel-neutral savings
    - ❑ Jointly coordinate program delivery of electric and gas programs for seamless customer experience
    - ❑ Develop short-term savings targets with the long-term goal of achieving all cost-effective EE
    - ❑ Drive innovation in technology, outreach, and regulation to increase EE gains
    - ❑ Leverage private financing to support customer investment in EE
    - ❑ Increase public awareness of benefits of EE and available EE opportunities
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## Key Aspects of Plan & VEIC Review Comments (con't)

- 2018-2020 outcomes include (p. 9) :
    - Customer savings of \$838 M, or 4.5 times the cost of the programs
    - EE savings of 4 billion kWh, 7.5 million MMBtu natural gas, 5.4 million MMBtu other fuels (p 18)
    - 2,100 direct and 865 indirect FTEs supported (p.20)
    - 2.4 M tons of GHG reductions = taking 520,000 vehicles off the road for a year
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# Overview of Draft Plan Savings Goals

- By end of 2020 (p. 7)
    - 3.10% electric savings at \$0.038 / kWh lifetime savings
    - 2.25% natural gas savings at \$4.23 / MMBTU lifetime savings
  
  - Annual MWh savings (p. 25)
    - **0.8% 2018** - 86,264
    - **1.0% 2019** - 107,830
    - **1.3% 2020** - 140,179
  
  - Annual MMBtu natural gas savings (p. 25)
    - **0.7% 2018** - 163,469
    - **0.75% 2019** - 175,145
    - **0.8 % 2020** - 186,821
  
  - Cumulative annual savings (p. 12)
    - An increase of 160,000 MWh & 78,000 MMBtu across 2018-2020 compared to previous 3 years
  
  - Cumulative lifetime savings (p. 13)
    - An increase of 1,750,000 MWh & < 550,000 MMBtu across 2018-2020 compared to previous 3 years
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# Overview of Program Funding

- Electric EE funding
    - SBC of \$0.00282 / kWh (83%)
      - Is \$0.00084 increase from current \$0.00198/kWh
      - Yet 8.4% lower than estimated SBC of \$0.00309 in Settlement Agreement that led to NH PUC Order No.25,932 in EERS proceeding
    - RGGI (5%)
    - FCM (12%)
    - 2018 total = \$38,798, 000
    - 2019 total = \$ 49,649,000
    - 2020 total = \$ 66,271,000
    - 2018-2020 total = \$154,718,000
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# Overview of Program Funding

- Natural gas EE funding
    - LDAC (99%)
    - Carry forward / interest (1%)
    - 2018 total = \$ 9,583,000
    - 2019 total = \$ 10,543,000
    - 2020 total = \$ 11,415,000
    - 2018-2020 total = \$ 31,542,000
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# Key Aspects of Plan VEIC Supports

- VEIC supports new initiatives to achieve the goals including (p.13) :
    - ❑ New energy audit option for residential customers
    - ❑ New measures being added to programs
    - ❑ The addition of multi-year planning to encourage long-term energy savings projects among large commercial customers
  
  - VEIC is pleased to see the “call-out” for continuing to reduce peak demand (p.8)
    - ❑ We wish the goal was higher, however
    - ❑ More on that later!
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## Key Aspects of Plan VEIC Supports (con't)

- VEIC supports the general approach to serving various market segments, through the portfolio approach
    - Program-specific review comments will be provided by program-specific SMEs on 6/27 and 7/5
  - VEIC aspires for program design, delivery, and budgets that avoid program “stops and starts”
    - Such stops and starts are anathema to sustained, orderly, market development and market transformation
  - VEIC supports the continued attention to Quality Assurance and the expansion of EM&V (p.9)
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# Food for Thought - Performance Incentives in VT

<b>QPI / Title PI #</b>	<b>Performance Indicator</b>	<b>100% Target</b>	<b>Weight</b>	<b>Incentive @ 100%</b>	
<b>1</b>	<b>Electricity Savings</b>	<b>Annual incremental net MWh savings</b>	<b>321,800 MWh</b>	<b>28%</b>	<b>\$956,394</b>
<b>2</b>	<b>Total Resource Benefits (TRB)</b>	<b>Present worth of lifetime electric, fossil fuel, and water benefits</b>	<b>\$336,300,000</b>	<b>30%</b>	<b>\$1,024,708</b>
<b>3</b>	<b>Summer Peak Demand Savings</b>	<b>Cumulative net summer peak demand savings</b>	<b>41,300 kW</b>	<b>17%</b>	<b>\$580,668</b>
<b>4</b>	<b>Winter Peak Demand Savings</b>	<b>Cumulative net winter peak demand savings</b>	<b>53,700 kW</b>	<b>14%</b>	<b>\$478,197</b>
<b>5</b>	<b>Business Comprehensiveness</b>	<b>Savings as % of baseline year usage for companies that complete Business Existing Facilities efficiency projects</b>	<b>11.0% of usage (depth of savings)</b>	<b>5%</b>	<b>\$170,785</b>
<b>6</b>	<b>Residential Market Transformation</b>	<b>Residential new construction project completions with substantial energy savings in 2015-2017 as % of total residential new construction permits in 2014-2016.</b>	<b>42% of Vermont single family building permits</b>	<b>3%</b>	<b>\$102,471</b>
<b>7</b>	<b>Business Market Transformation</b>	<b>Number of energy efficiency measure supply chain partners linked to at least 3 (completed) projects.</b>	<b>500 partners</b>	<b>3%</b>	<b>\$102,471</b>
		<b>Total</b>		<b>100%</b>	<b>\$3,415, 693</b>

# Food for Thought – Performance Incentives Being Contemplated in RI

Category	Metric Options
Energy and Demand Savings	<ul style="list-style-type: none"> <li>• Lifetime savings</li> <li>• Efficiency as a percent of annual retail sales</li> <li>• Energy intensity</li> <li>• Total resource benefits</li> </ul>
Grid Optimization	<ul style="list-style-type: none"> <li>• Percent of installations that are controllable</li> <li>• Peak efficiency/clean peak</li> <li>• Load factor</li> <li>• DR utilization</li> <li>• KW savings through DR efforts</li> <li>• Geotargeted goals</li> </ul>
Strategic Electrification/Decarbonization	<ul style="list-style-type: none"> <li>• Greenhouse gas savings</li> <li>• Total MMBtu savings</li> <li>• Number of heat pump and EV and/or EV charging installations</li> <li>• Bundling of EE with heat pumps, EVs, and/or renewables</li> </ul>
Market Transformation	<ul style="list-style-type: none"> <li>• Market share for efficient equipment</li> <li>• New methods to attribute savings for market transformation activities</li> </ul>
Non-Energy Benefits	<ul style="list-style-type: none"> <li>• Economic development impacts and clean energy jobs</li> <li>• Total energy burden for low-income Rhode Islanders</li> </ul>

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# Upcoming Meetings

- **ESE Board**

Friday, 6/16, 9 am to Noon, NH PUC

- **EERS Committee**

Tuesday, 6/20, 9 am to Noon, NH PUC

- **EERS Committee**

Tuesday, 6/27, 9 am to Noon, NH PUC

- **EERS Committee**

Wednesday, 7/5, 9 am to Noon, NH PUC

- **EERS Committee**

Tuesday, 7/11, 9 am to Noon, NH PUC

- **EERS Committee**

Tuesday, 7/18, 9 am to Noon, NH PUC

- **ESE Board**

Friday, 7/21, 9 am to Noon, NH PUC

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## For More Information

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