Energy Efficiency and Sustainable Energy Board
Energy Efficiency Resource Standard (EERS) Committee

[Draft] Minutes of the February 14, 2019 Meeting

Committee Members Present: David Borden (New Castle Energy Committee), Carol Woods (NH Electric Cooperative), Eric Stanley (Liberty Utilities), Matt Mailloux (Office of Strategic Initiatives, Mary Downes (Unitil), Ellen Hawes (Acadia Center), Don Kreis (Office of the Consumer Advocate), Madeleine Mineau (Clean Energy NH), Becky Ohler (Department of Environmental Services, ex officio as EESE Board Chair), Kate Peters (Eversource)

Others present: Les Stachow, Jim Cunningham, Jay Dudley, Paul Dexter (all of the Public Utilities Commission), Brian Buckley (Office of the Consumer Advocate)

Participating by phone: Liz Nixon (Public Utilities Commission), Lisa Skumatz and Ralph Prahl (Skumatz Economic Research Associates, consultants to EM&V (Evaluation, Measurement and Verification) Working Group), Miles Ingram (Eversource), Kathy Garfield (Business and Industry Association

In his capacity as chair of the committee, Don Kreis called the meeting to order at 1:03 p.m.

I. Energy Efficiency Potential Study

The meeting began with a briefing by Lisa Skumatz and Ralph Prahl of Skumatz Economic Research Associates, which has been advising the EM&V Working Group with respect to issuing a Request for Proposals (RFP) to conduct the energy efficiency potential study called for in the most recent settlement agreement approved by the Public Utilities Commission (PUC) in Docket DE 17-136 (the Energy Efficiency Resource Standard docket). They used a slide presentation, appended hereto and incorporated by reference.

Mary Downes of Unitil noted that because the potential study is called for in the settlement, the EM&V Working Group wants to make sure it is undertaking these efforts correctly. Eric Stanley of Unitil noted that the EM&V Working Group "owns the process" pursuant to the DE 17-136 settlement agreement, but wants to make sure it is receiving input from stakeholders as it works up an appropriate RFP. Hence the discussion of the relevant questions at the EERS Committee of the EESE Board.

Lisa and Ralph explained that energy efficiency potential studies come in three "flavors:" a basic study that builds the case for energy efficiency programs, a study that identifies specific alternatives to supply-wide investments, and a study that targets specific market sectors, demographics, end-uses, measures and programs are appropriate to realize available energy

efficiency potential. Lisa noted that New Hampshire appears to be "well past" the first type of study.

She noted that all such studies proceed in four steps: identification of the theoretical maximum available energy savings, identification of the subset of those maximum available savings that are most economical, an examination of the maximum achievable potential in light of real-world barriers (e.g., program costs), and an assessment of the achievable potential in light of available funding levels. Lisa identified the lack of preexisting data in New Hampshire as a major issue for any such study.

Lisa and Ralph outlined three potential (and not mutually exclusive) strategies for New Hampshire: (1) Rely on potential studies already conducted in neighboring states to create adjusted conclusions regarding potential in New Hampshire, (2) conduct baseline data collection, and (3) conduct targeted "mini-potential studies."

Ralph noted that if New Hampshire does a conventional potential study the results are likely to be fairly predictable. He said that nearby states have been achieving savings of around 3 percent a year with higher budgets than are likely feasible in New Hampshire. So, he suggested, "Why not cut to the chase and try to draw some value from the studies that have been done in nearby states?

There was agreement that the settlement agreement calls for a potential study but does not give specifics. Brian said he agreed with Lisa and Ralph that the lack of baseline data specific to New Hampshire about what's actually installed out there is somewhat problematic. Madeleine said that in conversations she has had at the State House she had concluded it would be useful to know how much would it cost to reduce peak demand by, for example, 1 percent via energy efficiency.

Ralph said that a potential study done with the rigor of the one conducted in Massachusetts would take $5 million and two years. Eric said he was less less concerned about cost than time; he reminded the Committee that the utilities need information that can be used in the next planning cycle, which would mean results by some time in the first quarter of 2020.

Eric also reminded the Committee that even if the energy efficiency potential on the electric side looks like it reaches toward infinity, that is not a true statement with respect to efficiency programs for natural gas customers.

Ralph said a "staged approach" could work, by asking the bidders to specify what they can deliver on an interim date, but he added that "you still have to figure out how much you want to do in the long run."

It was noted that funding for the potential study comes out of the EM&V budget. Said Myles: "We probably don't have $5 million to spend."

In light of this discussion, it was the general consensus of the Committee to endorse the approach the EM&V Working Group had been contemplating based on the recommendations of Lisa and Ralph, to focus on targeted mini-studies with a secondary focus on developing data from New Hampshire that would provide actionable information that could be used more broadly.

II. Stakeholder Consultant RFP

Les Stachow distributed an initial draft of the RFP on which Commission Staff is working, for issuance by the March 15 deadline. The purpose of the RFP, as specified in the most recent DE 17-136 settlement, is to hire a consultant to provide advice and assistance to the EESE Board, stakeholders and the Commission.

According to Les, the RFP draft follows the standard PUC template and contemplates a maximum expenditure of $250,000 with one third allocated to 2019 and the remainder to 2020. He said the plan would be for the contract to commence in October 2019 with the contractor subject to a performance review at the end of 2019 that would allow for contract extension into 2020 assuming a satisfactory evaluation.

Les asked for input on the specific tasks to be performed by the consultant as well as any proposed changes to the selection criteria. He noted that as specified in the settlement agreement the selection committee would consist of one person chosen by the EESE Board, a representative of the Department of Environmental Services, and a member of the PUC Staff.

Don said he would circulate an electronic version of the draft RFP prepared by Les along with a request for suggestions e-mailed to Don for compilation and discussion at the next EERS Committee meeting, which there was agreement to schedule for 1:00 p.m. on Monday, February 25 at the PUC.

III. Next Meeting, Other Business

Mary inquired about what conflict of interest rules apply to whatever contractor is ultimately selected. Paul Dexter of the PUC Staff said he would seek further information about that subject.

Brian Buckley of the PUC agreed to take future minutes. Don agreed to draft a potential governance document for the Committee, similar to the one presently used by the EESE Board.

The meeting adjourned at 2:54.

D. Maurice (“Don”) Kreis, Committee Chair and Secretary *pro tempore*