State of New Hampshire

Energy Efficiency and Sustainable Energy (EESE) Board

ENERGY EFFICIENCY RESOURCE STANDARD (EERS) COMMITTEE

Draft Minutes of the June 01, 2020 Meeting, held electronically via Microsoft Teams

Committee Members Present: Don Kreis (Office of the Consumer Advocate, Chairperson), Eric Stanley (Liberty Utilities), Kate Peters (Eversource), Carol Woods (NH Electric Cooperative), Madeleine Mineau, ex officio as EESE Board Chair (Clean Energy New Hampshire (CENH)), Becky Ohler (Department of Environmental Services (DES)), Ryan Clouthier (Southern New Hampshire Services), Cindy Carroll (Unitil), Sandra Levine (Conservation Law Foundation), Matthew Mailloux (Office of Strategic Initiatives (OSI)), Raymond Burke (New Hampshire Legal Assistance (NHLA), Tonia Chase (Business and Industry Association of New Hampshire), Matt Siska (GDS Associates), Jeff Marks (Acadia Center).

Others present: Liz Nixon, Steve Eckberg, Paul Dexter, Jay Dudley, Brian Buckley, Jaqueline Trottier, Gary Cronin (all Public Utilities Commission Staff); Lisa Skumatz, Ralph Prahl, and Bob Wirtshafter (all consultants for PUC Staff); Christa Shute (Office of the Consumer Advocate); Phil Mosenthal and Cliff McDonald (Optimal, on behalf of the OCA); Emily Levin, Christine Donovan, Dylan Voorhees (all of VEIC, consultants to EERS Committee); Mary Downes and Tom Palma (Unitil); Miles Ingram, Mark Lemenager, James Butler (all of Eversource); Chris Skoglund (DES); Kelly Buchanan and Brianna Brand (both of CENH); Stephen Tower (New Hampshire Legal Assistance (NHLA)); Samantha Caputo; Melissa Birchard.

1. The meeting was called to order by Don Kreis at 1:01. Pursuant to RSA 91-A:2, III(b) and the relevant emergency order of the Governor, the chairperson declared the existence of an emergency (specifically, the health threat occasioned by the COVID-19 pandemic) that rendered impractical the requirement for a physical presence at a specific location of a quorum of the Committee, thus permitting the meeting to proceed entirely on an electronic basis.

2. The May 18th minutes were approved unanimously, with abstentions from Tonia Chase, Jeff Marks and Matt Siska on the motion of Becky Ohler and the second of Ryan Clouthier.

3. Program Administrators Presentation on Key Topics for the July 1 Draft Plan

The NH Saves Program Administrators gave a presentation on key topics for the July 1 draft plan including: (a) lighting assumptions, (b) approach to savings and budgets, (c) COVID-related planning assumptions, (d) proposed flexibility/modification mechanism, and (e) a list of additional stakeholder comments on the April 1 plan and responses from the program administrators for incorporation into the July 1 plan. The slides accompanying the presentation are incorporated by reference.

Lighting: Mary Downes from Unitil and Ralph Prahl, PUC Staff Consultant, both identified that lighting assumptions will be based in part on policy decisions. There appear to be savings left but it is currently unclear when they should exit the market given the uncertainty on the political and legal front. Ralph Prahl indicated that EM&V can tell the group that the end of the lighting program is near, but just cannot tell how near, because it is a finer level of measurement than EM&V can really do. Mary expressed concern about putting too much lighting savings in the plan and then not being able to deliver it and not being able to make up the difference with other measures. Recent information has suggested that New Hampshire is actually closer to the Massachusetts marketplace than previously recognized. There is a difference between new markets (where bulbs have burned out) and retrofit markets (where working bulbs are replaced). The new market may be less available than the April 1 plan suggests and the retrofit market may have a shorter measure life resulting in lower lifetime savings. Emily commented that it is clear there are still opportunities with the underserved. Mary commented that they believe they were closer on residential projections than on C&I. Miles indicated there is a much larger amount of lighting savings and more of it is retrofit versus residential where almost all remaining potential is retail and new bulb sales areas, therefore, it is important to not treat the sectors the same. Ralph responded that the C&I market is also changing rapidly. Phil Mosenthal of Optimal suggested considering that given whatever is assumed as net to gross, if it is still cost effective then perhaps it should be included even if there are free riders. Ralph responded that EM&V is really not in a position to be able to measure the net to gross accurately in order to provide the direction needed. Lisa Skumatz, another PUC consultant, commented that something may be cost effective without being the most cost effective. Mary offered that including net to gross for lighting is really the first time doing something other than gross savings – because it is the right thing to do.

Savings and Budgets: There are two primary options. Option 1 is a 2020 reset where 2021 becomes a rebuilding year to ramp back up to planned 2020 budget levels, then ramping up budgets for 2022 and 2023, but acknowledging that the savings cannot ramp up the same as the budget because losing some of the cost effective lighting. If they are able to do more the utilities can return through the modification process to increase goals. The PUC Staff supports Option 1. Option 2 is a business as usual approach where the modification process can be used to decrease goals. CENH asked about what the increases would look like in Option 1 and indicated they would need to think on the question and get back to the utilities. Phil Mosenthal of Optimal said that regarding amortization the actual short term interest rates of the Missouri utilities hovers around 1.5 percent, a number dramatically lower than the 5 percent interest rate used in his presentation the previous week, so that with inflation taken into account it is a nominal cost or always a good deal. The program administrators asked if committee members feel strongly about either option they indicate such as quickly as possible so they can proceed with the modelling. Eric of Liberty indicated though they do not have the lighting market challenge there are very similar challenges being faced by the gas market. There was a discussion about the potential over-collection in 2020 because of the COVID response that has decreased the installation of efficiency measures to a higher degree than it has decreased the income collected. There was also a question about the proposal to set one SBC rate for three years. The program administrators indicated that setting the SBC rate was an attempt to be more predictable but at a certain threshold the SBC would be modified for the carryover.

Incentive Caps: The program administrators are recommending increasing the incentive cap and providing a mechanism for a utility supervisor to review. The utilities will consider providing some qualitative guidance on how a utility supervisor would make that decision but also commented that sometimes making exceptions depends on how close to the goal you are.

HEA and COVID: Ray Burke asked whether the utilities have looked at any data regarding how the crisis will impact the number of households potentially eligible for the HEA program because it is important to understand the need for HEA when considering the appropriate budget level. Kate Peters responded that she is not aware of any attempt yet by the program administrators. Qualification is based on the last 12 months of income, though for fuel assistance they only look at the prior 30 days. Ryan Clouthier clarified that they typically start with the 365 day look and then move to the 30 day look. He also noted that not seeing much increase right now because of the stimulus checks but anticipate an increase in the next three to four months. Ray added that the extra unemployment benefits end at the end of July so there may be many more eligible at that time. CLF commented that given the recent impacts on jobs and unemployment it is reasonable to assume that there will be an increased need going forward and the budgets, efforts, and performance standards should be elevated. Kate Peters commented that based on the legislative change there will now be 20 percent of SBC funds instead of 17 percent which will help in terms of reaching more HEA customers in the next three year plan. She also indicated that the program administrators are making efforts to maintain a focus on full weatherization while adding additional elements that are a little broader and reach more customers rather than going deep on each of them.

Pilots and Benefit/Cost (b/c): The program administrators asked for guidance from Staff in regards to their evaluation of pilots. Liz of Staff indicated they like innovative approaches but the purpose of a pilot is to have a goal in mind that you are testing to see if you achieve. So, Staff feels that a b/c ratio is still appropriate for a pilot based on the costs and benefits of the pilot. Partly it helps make clear the structure for the proposed benefits and costs. The program administrators responded that it is challenging to set the b/c when (1) the costs are going to be much higher for a pilot than for a program and (2) the benefits are part of what they are trying to ascertain with the pilot so it doesn't make sense to judge a pilot when trying to evaluate the benefits. Staff reiterated that the b/c for a pilot does not have to be over one and that they could provide a projected b/c for the program as additional information if they wish. The program administrators are looking to understand how the Staff is going to assess the pilot and is concerned about being evaluated on whether they hit the b/c. Staff suggested revisiting the discussion when talking about whether to do a pilot of full fledge program.

Financing: Christa Shute of the OCA made a recommendation to enhance the section on financing to indicate what they will focus on and why. Christine of VEIC suggested they consider whether they feel they have really articulated the strategy behind the financing approach and the rationale for that strategy and the impact that is meant to be having – so the programs are placed in the context of the broader thinking. Kate indicated they have been moving to do more with on-bill financing for a wider variety of customers – but the approach is capital constrained. She indicated they will discuss the approach, availability, and when and why they move to an interest rate buy down.

4. Inclusion of Electric Vehicles in Active Demand Reduction Initiatives

There was a question from DES of whether there should be incentives for Electric Vehicles if there is a rate design to encourage behavior. Melissa Birchard commented that they are complimentary tools where incentives can create a more surgical approach than just rate design – because there can be control of individual devices to charge at different times of night. Emily of VEIC commented that the observation applies not just for electric vehicles but to really anything being controlled through an active demand response program. Melissa Birchard stated that the first step is to make sure New Hampshire is incentivizing the right charging stations – such as the smart chargers that are Energy Star certified. That requirement will then allow the second building block which is demand response – but if you don't have the right equipment in place you can't get to the second step. She added that in terms of costs you may find that the incremental cost of adding a managed charging program is small and the two programs can piggy back and have some efficiencies and building that customer base to take advantage of more cost savings.

5. Codes and standards workshop later in June

VEIC identified savings attributions for codes and standards as an area that the committee is interested in. They recognized that entities such as GDS and NEEP have offered to help and provide some training. They intend to have a webinar that is publicly noticed for both EERS committee members and other interested parties. VEIC recognized that it seems the program administrators are doing a deeper dive into savings attributions for codes and standards. VEIC plans to talk offline with the PA's but feels it will be helpful to give the EERS committee some information in advance so that they can collectively better understand any potential approach. While not yet scheduled, the webinar is anticipated for late June.

6. Conclusion of the Meeting

VEIC reiterated to the committee that this is a key time to weigh in on savings and budget targets and whether you prefer Option 1 or Option 2. Any input should be provided by hitting reply all to the Committee invite list but people should refrain from commenting on comments to prevent an unwarned virtual meeting.

The meeting was adjourned at 4:14.