

State of New Hampshire

Energy Efficiency and Sustainable Energy (EESE) Board

ENERGY EFFICIENCY RESOURCE STANDARD (EERS) COMMITTEE

Draft Minutes of the June 15, 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), Nick Krakoff and Sandy Levine (Conservation Law Foundation), Raymond Burke (New Hampshire Legal Assistance (NHLA)); Matt Siska (GDS Associates); Jeff Marks (Acadia Center), David Borden.

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

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. Speaking on behalf of the program administrators, Kate Peters of Eversource expressed concern that a majority of the committee met outside of the process in a meeting not publicly warned and would like information and feedback as well as an explanation as to how and why the conversations happened outside the process. They expressed the opinion that if the number of people at the meeting constituted a quorum of the Committee, this was in violation of RSA 91-A. Don Kreis stated that he did not believe RSA 91-A had been violated. He reminded the Committee that pursuant to RSA 91-A:7 it is up to the Superior Court to adjudicate violations if the Right-to-Know law, upon the filing of a civil complaint.

3. Option 3

On behalf of the OCA, CLF, Acadia Center, Clean Energy New Hampshire, Rep. Backus, Senator Fuller Clark, David Borden, New Hampshire Legal Assistance, Department of Environmental Services, and Southern New Hampshire Services, Don Kreis made a presentation on a potential alternative to the two options described by the program administrators at the June 1 meeting. Option 3 would focus would be on a cumulative three-year savings goal rather than three individual yearly goals. The cumulative goal would be five percent of 2018 electric sales over three years and three percent of 2018 natural gas sales over three years. This option recognizes that the EERS can be a key element in putting New Hampshire back to work, reducing energy burdens, and keeping wealth local while promoting “green” jobs.

Don said that amortization provides just one possible means of stretching the goals as far as possible to assist New Hampshire during this period. Jeff Marks of Acadia is looking for a ramp up of energy efficiency goals in order to help the residents, businesses and institutions that need those goals. The current uncertainty is not a reason to scale back, but a reason to ramp up not just energy savings and budgets, but workforce development options. Matt Siska of GDS Associates indicated their desire to remain neutral but supports cost-effective efficiency, and spoke about the headwinds and slow-down in the business community and the impact of workforce development. Madeleine Mineau of CENH said that 2021 may need to be a rebuilding year, but that we need to achieve as much as possible while embracing the uncertainty. A three year goal eliminates the needs to struggle with specific tenths of a percentage in any given year. Phil Mosenthal of Optimal further recognized that even with a complete failure in 2021, performance in 2022 and 2025 would get the program administrators the threshold necessary for a performance incentive. Emily Levin of VEIC pointed out that they could consider returning to the 65 percent threshold instead of the 75 percent threshold to protect against some of the uncertainty.

The program administrators responded that they support the three year concept and being able to utilize that longer time horizon and agree this is an important time for energy efficiency. They feel the question becomes about the cost to achieve. They feel they have established that their cost to achieve is in line with almost every state in New England and they spent time working with VEIC on how to achieve more savings at a reasonable cost. They are looking at higher program costs in the current environment because they need to deploy higher incentives. Later this summer the information on the potential study will inform how costly 5 prtvmy is likely to be. The program administrators have moved forward with limited feedback that one committee member was lukewarm on option 2 and staff supports option 1. So they went with a hybrid. The hybrid is what will be reflected in the July 1 plan but what committee members want to see can still be an important input between now and September.

Amortization was discussed. The program administrators are concerned that the proposal

implies that the utilities should figure out how to make amortization not cost more in the long run and they don't see how they can make a debt solution cost less. Ray Burke clarified he is not necessarily convinced about amortization, and that the slides indicate that amortization is one option. Staff indicated that way back they expressed concern about rate impacts on the SBC because of concern on how the legislature would react and they become more concerned as the SBC approaches one cent. Before COVID-19, the Staff viewed 10-15 percent as a reasonable increase in the SBC. COVID-19 has only enforced that position. While the concept of amortization would address that concern, Staff's concern is that ultimately it raises costs and therefore they do not support amortization. Tonia Chase of BIA indicated they are not totally against amortization because there are low interest rate loans available to accomplish the program. Though you pay the interest rate, the savings that you get is so immediate that the savings is worth the cost. In addition, there is a stabilizing effect because you can take advantage of opportunities as they are available so as not to slow down implementation.

Madeleine Mineau asked Staff why a 35 percent year on year increase was appropriate and prudent for the existing plan but not for the upcoming plan. Paul Dexter indicated that the cumulative nature creates the issue and that one cent per kWh is the red flag and this would be the sixth year of a 25-30 percent increase. Becky Ohler asked Staff why one cent is a "magic number," pointing out that expenditures at or above that level would still be cost-effective from a ratepayer perspective. Paul responded that Staff favors "gradualism" and suggested there are "staff members that feel we need to be wary of being legislated out of business."

Staff expressed concern about the degree to which residential lighting measures are in the plan for 2021, noting that market seems near transformation and suggesting that in the residential sector we should be diversifying away from the "A-line" bulbs. Nick on behalf of CLF said there are still substantial savings available from lighting that should not be ignored.

4. Energy Efficiency Compact

Don Kreis presented a proposal he developed for an Energy Efficiency Compact, in an effort to develop a commonly held and explicit understanding of the nature of the utilities' role as program administrators in New Hampshire. His slide deck is incorporated by reference.

The idea is to create an energy efficiency version of the unwritten but longstanding "regulatory compact" that defines the relationship between the utilities and their regulator when discharging their rights and obligations as holders of utility franchises. The Energy Efficiency Compact would involve an acknowledgement that energy efficiency is tangential to but outside the franchise-based regulatory compact, in exchange for agreement that the utilities would remain the program administrators for the foreseeable future in New Hampshire even as other nearby states (i.e., Maine, Vermont) have opted for third-party program administrators.

Paul Dexter of Staff said he was "having trouble with the concept" that the program administrator role is outside the franchised utility role, noting that utilities have a duty as

franchisees to provide service on a least-cost basis and to consider energy efficiency as one of the available options.

Nick of CLF asked whether the compact would be enforceable, perhaps as a contract. Don replied that he envisioned the Commission approving the idea in its order, thus giving it the force and effect of law. Madeleine said she was concerned about the ambiguity of terms like “aggressively advocate” (i.e., that the utilities would aggressively advocate for all cost-effective energy efficiency at the Legislature and other forums) and “foreseeable future.”

On behalf of the utilities, Kate said that she “unfortunately” felt that any discussion of such a Energy Efficiency Compact proposal would create “more division.” That prompted Don to state that he would withdraw the proposal.

5. Update on Process

It was noted that Eversource, on behalf of the program administrators, filed a motion to extend to September 1, 2020 the deadline for them to file the final edition of the triennial plan for Commission consideration via the adjudicative process. Emily noted that the schedule going forward was as follows:

July 1 – program administrators submit new draft of as a complete plan with the b/c models, back up etc.

July 13 – EERS Committee meeting and public verbal comments on plan

July 15 – Written public comments on plan.

July 20 – EERS Committee Meeting and VEIC comments and committee member comments

July 24 – EERS Committee feedback on plan

August 3 –Utilities provide summary of anticipated revisions to plan

Emily reminded the Committee of its decision to work toward a moment where individual committee members will be provided the opportunity to offer support or lack of support and statement for the basis for their vote for the plan and the results of that will be to the EESE board.

6. Codes and Standards Update

Committee members were reminded of the workshop VEIC has scheduled for Monday, June 22 from 2-4 for committee members and the public for a deeper dive into this topic. The presentation will be primarily by NEEP (Northeast Energy Efficiency Partnerships).

7. The meeting was adjourned at 4:02.