

July 24, 2020

D. Maurice Kreis
Consumer Advocate
Chair, EERS Committee
Office of the Consumer Advocate
Via Electronic Mail - Donald.Kreis@oca.nh.gov

Dear Chairman Kreis,

GDS Associates, Inc. (GDS)¹ appreciates the opportunity to submit written comments on the draft Energy Efficiency Resource Standard (EERS) plan submitted by the NHSaves Program Administrators on July 1, 2020. These written comments build upon the verbal comments offered at the July 20th EERS committee meeting and address two key focus areas; codes & standards and workforce development.

Codes and Standards

Adopting and enforcing modern energy codes is one of the cost-effective energy efficiency resources available to the state. Incorporating energy efficiency practices at the time of construction is well known to represent a lower incremental cost and burden on customers than retrofitting inefficient equipment in existing buildings. Also, given the long lifetime of buildings, the benefits of incorporating energy efficiency at the time of construction will be realized over many years.

As has been discussed throughout this EERS process, many challenges to the adoption and enforcement of modern energy codes exist in New Hampshire. During this next triennium, the NHSaves Program Administrators are uniquely able to address and overcome these challenges in three key areas:

1. Code Adoption: Supporting the adoption of modern energy codes without weakening amendments through technical assistance and engagement.
2. Code Training: Expand current code trainings to address the realities of a work from home culture (i.e. more web based, virtual training) and focus trainings on more targeted end user segments such as building officials, architects, engineers, contractors, and the design building community.
3. Code Enforcement: Provide technical support and resources to code enforcement officials to support plan reviews, technical interpretation of code requirements, inspections, or similar activities that will increase overall compliance with current and future energy code provisions.

The recently re-formed New Hampshire Code Collaborative (NHCC) can be a useful conduit for the planning and delivery of these services as it represents a diverse group of knowledgeable stakeholders.

GDS is supportive of the comments and outline plan submitted by the NH Department of Environmental Services and applauds the NHSaves program administrators for their efforts to explore these opportunities. We look forward to seeing the final proposal in the September 1st plan and are available

¹ The comments presented are offered by Matthew Siska, Principal of GDS Associate's Manchester NH office, and do not necessarily represent the view of other GDS Principals or GDS' Board of Directors.

to provide any support towards that draft as may be beneficial. GDS also supports the NHSaves Program Administrator's ability to claim savings from these enhanced efforts, provided a clear mechanism is identified in the plan for measuring baseline and the incremental impact of these efforts over the course of the triennium.

Workforce Development

Throughout this EERS planning process, there has been widespread acknowledgement of the need for investment in workforce development to support the ambitious targets set forth in this plan. We commend and support the NHSaves Program Administrators' focus on workforce development in the July 1st plan.

The current plan commits to selecting a lead vendor who will conduct the needs assessment and subsequently design and implement a coordinated workforce development program under the direction of the program administrators. There is also discussion of embracing a regional approach that will leverage best practices in surrounding states.

Our position is that the final plan would benefit from more specificity in terms of the overarching objectives and key components of the proposed workforce strategy. Including more specific objectives and desired outcomes would help to frame the solicitation for the lead vendor and guide the resulting plan. It is also an opportunity to ensure that considerations and challenges specific to New Hampshire are reflected in the plan. Potential enhancements that could be included in a final plan are presented below for consideration.

- Distinguishing between supporting the technical, sales and managerial growth of existing business partners, versus supporting new entrants to the workforce. Targets for new entrants could include focus on the disadvantaged or high unemployment communities.
- Highlighting goals by segment of talent sources because each will have unique needs that can be fleshed out through the assessment process. These could include:
 - o Existing trade allies
 - o Incumbent workers
 - o New entrants
 - o New/prospective trade allies
- Defining key workforce education and training metrics that will be tracked
 - o # of workforce partnerships
 - o Penetration – total number of training participants by building type (or sector)
 - o Number of individuals from disadvantaged communities participating in training
 - o Number of trainees working on ratepayer funded projects
 - o Number of new entrants to the workforce
- Enhanced focus on work-based learning. One aspect of a robust workforce development strategy that has been discussed previously in this committee is the importance of work-based learning. There is an existing infrastructure in NH that could be leveraged and further emphasized in the plan.

- Including targets for supplier diversity. The plan could further address tapping into previously untapped reservoirs of talent in disadvantaged communities, demographic groups including women and people of color, poor rural communities and opportunity youth.

Thank you for the opportunity to provide comments on this draft plan and to participate in the EERS process.

Best regards,

A handwritten signature in black ink, appearing to read 'M. J. Siska', written in a cursive style.

Matthew J. Siska, PE, CEM

Principal

GDS Associates, Inc.

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July 1, 2020 Draft 2021-2023 New Hampshire Statewide Energy Efficiency Plan

NH PUC Staff Comments/Questions

July 24, 2020

1. General

- a. Please refer to our comments on the April draft because we did not repeat those comments here.
- b. Many areas of the plan mention new or expanded programs or approaches, but more detailed and granular explanations and examples in the plan are needed.
- c. The document needs to be more transparent about details and methodologies and be more specific. For example, if an approach is revised from the previous 3 year plan, then the past approach should be explained and a detailed explanation of the new approach and the reason for such a change should be included.
- d. Approaches and methodologies should be consistent among the utilities. If the utilities are not consistent, then the reason for the inconsistency must be explained and justified.

2. Planning Structure

- a. Mid-Term Modifications – All parties in addition to utilities should be able to petition for a mid-term modification. Certain modifications should be made regardless of the magnitude of the impacts, including updating for the recent AESC study.
- b. Annual Reporting – Annual reports need to be expanded, templates agreed to, and many more details provided on the programs, including narrative descriptions. Staff proposes a June 1 submittal date for the annual reports.
- c. Consistent Reporting – All reporting templates and methodologies need to be consistent among the utilities.
- d. Reporting after completion of 3-year plan – A submittal date of June 1 (instead of August 1) is more appropriate so that the results of the 3-year plan can be reviewed and considered for the next 3-year plan.
- e. Pilot to Full Program Implementation – The purpose, goals, and assumptions related to a pilot must clearly be stated. An evaluation study must be conducted to determine the results of the pilot, to determine if the goals were achieved, and to recommend any modifications to the structure of the program and/or savings assumptions. Then, if the pilot is successful, the utilities can seek approval for a full program. A pilot cannot proceed to a full program without prior Commission approval. Pilots shall represent no more than 10% of portfolio budget in any given year.
- f. Application of Evaluation Studies – For purposes of LBR, the studies are applied retroactively. For example, if a measure has been installed for 3 years, and the measure life decreases from ten years to five years, then the measure will be retired at year five for the purposes of calculating the LBR instead of continuing for 10 years. For calculation of PI, the studies are applied prospectively.

- g. Notification - If a utility needs to shift more than 20% of an annual estimated budget from one program to another (within a sector), then notification shall be provided to the Commission. Utilities should provide notification and explanation of the situation if the annual estimated goals are under/over achieved or annual estimated budget are under/over spent.
 - h. Submittal Deadlines – If any changes requiring approval are to be incorporated by January 1 of the following year, the filing must be made by September 1.
3. Budgets and Goals - While the state energy strategy¹ is to prioritize cost-effective energy efficiency in all sectors, the principles of ratemaking must also be taken into consideration, particularly gradualism related to the increase in rates. While the increased savings goals may seem reasonable in general, the associated rate impacts are too great in most cases.
 4. Active Demand Reduction Program – The active demand reduction program needs to be discussed further, including the goals, participant incentives, and utility performance incentive. If certain technologies are treated differently than others for the purposes of participant incentives, it must be explained and adequately justified. For energy storage, the plan should explain whether its treatment of this technology is consistent with the Commission’s obligation pursuant to HB715 to open an investigation to examine appropriate compensation structures for energy storage technologies.
 5. Behavioral Programs
 - a. How will the utilities ensure that double counting is not occurring?
 - b. For the HERs programs, please compare and contrast the differences of the programs by utility and explain why they are different.
 - c. Staff does not support EE expenditures for Eversource’s Customer Engagement Platform/Initiatives unless it achieves energy savings and has a benefit/cost ratio greater than 1.
 - d. For the Liberty’s Aerial Infrared Mapping program, Staff is concerned with privacy issues, measure life estimates, and double counting with other programs.
 6. Energy Optimization Pilot – The pilot details should be discussed further at the Benefit/Cost Workgroup meeting.
 7. Participant Incentives
 - a. Lighting - How are last-to-adopt and hard-to-reach customer identified and targeted? What incentives are the last-to-adopt and hard-to-reach customers given? Isn’t the residential lighting market basically transformed?
 - b. C&I Tiered Incentive – Please provide the details of these proposed incentives.
 - c. Footnote 15 on Bates p. 33 says that some rebates are determined on a case-by-case basis. Please provide a list of the incentives that are provided on a case-by-case basis and justify why a prescriptive incentive level is not defined.
 - d. SBC funded incentives can only be for EE, not renewable energy, electric vehicles, health and safety, etc.
 - e. More prescriptive incentives should be provided for customers to provide for more certainty and transparency for the customer and contractors. Custom incentives should

¹ New Hampshire Office of Strategic Initiatives. *New Hampshire 10-Year State Energy Strategy*. April 2018. Available at: <https://www.nh.gov/osi/energy/programs/documents/2018-10-year-state-energy-strategy.pdf>.

be the exception, not the norm. Many of the custom measures proposed could easily be turned into prescriptive measures, such as a \$/sq ft of insulation installed, etc.

- f. Staff encourages the use of pay for performance incentives.
 - g. To ensure more realization of savings, certain incentives could be received only if certain conditions are met, such as building commissioning with verification of proper installation and compliance with codes and standards, meeting or exceeding certain codes, etc.
8. Lost Base Revenue (LBR)
- a. Utilities should address the considerations outlined by Staff in the LBR working group report, such as the better alignment of the rates with the customer classes.
 - b. As shown in the bill and rate impact model, the distribution related benefits of the programs potentially offset lost revenue, so the lost revenue calculation should take into account any distribution savings and benefits achieved through the programs by subtracting out the distribution benefits from the lost base revenue. If such savings are not taken into consideration, then the lost base revenue is overestimated.
 - c. Please provide LBR for Northern Utilities for all 3 years.
9. SBC/LDAC Rates
- a. The proposed increase in many of the SBC rates is too great, especially given the current economic situation. Is the SBC rate correct for Eversource in that the C&I EE portion of the SBC rate goes from 0.528 cents/kWh in 2020 for the EE to 1.512 cents/kWh in 2023? All in with LBR (0.065 cents/kWh) and EAP (0.150 cents/kWh) that means that 2020 SBC rate is 0.743 cents/kWh with an increase to 1.818 cents/kWh in 2023 (with LBR of 0.156 cents/kWh and EAP) for C&I. This is too great of an increase in these economic times.
 - b. The rates for the natural gas utilities were not provided so it is unclear of their projected increase and impacts. Please provide the rates for the gas utilities for all 3 years.
 - c. Why is Liberty Electric's residential SBC rate so much higher than all of the other proposed SBC rates? Liberty-Electric's residential SBC rate associated with just the energy efficiency programs (excluding LBR) is an increase from \$0.00528/kWh (the current EE SBC rate, not 0.00535 as listed in plan on Bates p. 653) to \$0.00936/kWh, which is a rate increase of over 77%. The LBR estimate provided after the plan was provided includes different SBC rates, so it is unclear which rates are accurate for Liberty. Please clarify which rates are correct and provide revised data if the associated plan data is not correct.
 - d. Please provide an explanation for decreases in the SBC in the Unitil residential sector and Liberty C&I sector.
 - e. Annual SBC rate filings should occur in one EERS docket for all utilities at the same time.
10. Performance Incentives
- a. ADR PI is based on a sharing of the achieved savings between the utilities and the customers.
 - b. Even though the PI is based on a portfolio basis, the percentage of electric savings required should be implemented on a sector level basis to ensure that each sector is achieving an adequate level of electric savings.

11. B/C Model

- a. Why are some customer costs negative?
- b. Why aren't the assumptions consistent from utility to utility?
- c. Detailed tables of the itemized measures, quantities, costs, and associated assumptions should be included as appendices of the plan in total and for each utility.

12. Multifamily Approach – As suggested in the TRC comments, the utilities should take a more comprehensive approach in addressing multifamily units for this plan and include such an approach in this plan.

13. Technical Reference Manual (TRM) – The TRM should be fully vetted by the EM&V Working Group. If parties cannot agree, Staff supports elevating the decision to the Commission.

14. Funding – Utilities need to continue to explore and report on all funding opportunities that have been investigated. If the utilities choose not to apply for grants or loans, then justification must be provided. Utilities should explore Federal government programs, such as REAP, and other private grants or loans. In addition, the utilities should create more partnerships and be sure to include such partnerships on the NHSaves website so that customers can also reach out to the partners for assistance.

15. Finance – Utilities should continue to explore methods for encouraging low/no interest loans through banks by establishing a loan loss reserve instead of buying down the interest rate. Utilities should also explore how to provide on-bill financing for loans provided by others or how to provide interest on utility-provided loans, so that the utilities are not carrying no interest loans. The financing program offerings should be more consistent among the utilities with the same maximum loan amounts and terms.

16. C&I programs

- a. CHP – An explanation of what has occurred during the 2018-2020 plan and how the utilities are following up on this plan should be included. The plan should include any coordination that has and will occur with UNH's CHP program. More specifics regarding a proposed CHP program must be detailed.
- b. The C&I programs should provide for more prescriptive measures. Custom measures should only be considered if a prescriptive measure is not offered.

17. Residential programs

- a. HEA and HPwES programs should take a more holistic approach with either a utility representative alongside the contractor or the contractor alone encouraging all energy efficient offerings, including appliances and products.
- b. Incentives can only be provided for energy efficiency measures, not renewable energy, electric vehicle chargers, etc.
- c. Any incentive for above code must be above the current (new) energy codes even if a home was grandfathered to an old code.
- d. The HEA implementation manual should be provided on the NHSaves website for transparency and assistance for contractors and potential participants.

July 24, 2020

Mr. D. Maurice Kreis
EERS Committee Chair
Office of the Consumer Advocate
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Donald.Kreis@oca.nh.gov

Dear Mr. Kreis,

Conservation Law Foundation (CLF) offers the following comments in response to the Second Draft of the 2021-2023 New Hampshire Statewide Energy Efficiency Plan (Second Draft Plan), jointly submitted by New Hampshire's Electric and Natural Gas Utilities (Utilities) on July 1, 2020.

1. Climate Change and Cost Savings Necessitate Increased Energy Efficiency

Given the ongoing crisis of climate change, it is imperative that New Hampshire significantly increase its energy efficiency resources for the 2021-2023 triennium. It is beyond cavil that vast potential exists in New Hampshire for its untapped and cost-effective energy efficiency resources. Energy efficiency resources remain the cleanest and lowest cost energy resources and their use provides a myriad of benefits to New Hampshire's environment and economy. Investments in energy efficiency offer benefits to all customers, not just participants, through avoided transmission and distribution costs, price suppression on wholesale electric markets, additional avoided environmental impacts, and local job creation.

While the energy efficiency savings goals contained in the Second Draft Plan are encouraging, as they constitute a meaningful increase from the previous triennium, more ambitious targets are needed due to the climate crisis. As observed by the Hopkinton Students for 100 members who participated in the EERS public hearing on July 13, 2020, climate change is already dramatically affecting New Hampshire and increased energy efficiency is a critical tool in addressing this challenge. In particular, energy efficiency reduces energy consumption, which in turn reduces dependency on fossil fuels and greenhouse gas emissions.

Thus, instead of cumulative savings of 4.2% for electric and 2.8% for natural gas, the Utilities should set a more aggressive goal of achieving cumulative savings of **5% for electric** and **3% for natural gas**. Such energy efficiency savings are feasible, as several New England states, including Vermont, Massachusetts, and Rhode Island, have recently achieved annual electric savings of

2.3% or greater, and both Massachusetts and Rhode Island have recently achieved annual natural gas savings of 1.17% or greater.¹ Comparatively, for New Hampshire to reach a cumulative three-year savings goal of 5% for electric and 3% for natural gas, it would only need to obtain average annual savings of 1.67% for electric and 1% for natural gas. One way that the Utilities could achieve these higher cumulative savings targets would be to increase savings during the first two years of the plan, as discussed in the following section. To the extent that additional funding is needed for such an increase in savings goals, CLF urges the Utilities to pursue further increases to the System Benefits Charge (SBC) and Local Distribution Adjustment Charge (LDAC). Although an increase to the SBC and/or LDAC could result in higher electricity rates, increased energy efficiency would reduce consumers' overall electricity bills.

2. The Utilities Should Increase Their Savings Targets During the First Two Years of the Plan

In general, CLF is supportive of the Utilities' proposal to transition to a three-year operating structure for the next triennium that provides budget flexibility and focuses on a cumulative three-year savings target, rather than separate savings targets for each year. Yet, as noted in the Second Draft Plan, despite adopting a three-year cumulative approach, the Utilities will provide a savings target for each program year of the three-year term, which shall be considered a directional indicator.² Similarly, the Utilities intend to develop estimates for annual budgets.

CLF believes that the annual savings targets and budgets proposed in the Second Draft Plan are skewed too heavily to the second half of the triennium and that the Utilities should also pursue higher savings during the first half of the plan. Pursuant to the Second Draft Plan, the Utilities propose electric program annual savings of 124,014 MWh in 2021, 142,258 MWh in 2022, and 170,334 MWh in 2023.³ The Utilities propose natural gas program annual savings of 198,268 MMBtu in 2021, 238,721 MMBtu in 2022, and 264,895 MMBtu in 2023.⁴ Thus, the annual electric savings under the plan are 1.2% in 2021, 1.4% in 2022, and 1.6% in 2023, and the annual natural gas savings are 0.8% in 2021, 0.9% in 2022, and 1.1% in 2023.⁵ In fact, the proposed savings for 2021 are lower than or equal to the assumed savings for 2020—1.3% for electric and 0.8% for natural gas.⁶ Moreover, as expected based on the annual savings targets for the three-

¹ ACEEE 2019 State Scorecard at 29, 32.

² Second Draft Plan at 26.

³ Second Draft Plan at 25.

⁴ *Id.* Under this scenario, the annual electric savings, as a percentage of total savings under the three-year plan, would be as follows: 28.4% for 2021; 32.6% for 2022; and 39% for 2023. Likewise, the annual natural gas savings, as a percentage of total savings under the three-year plan, would be as follows: 29.2% for 2021, 33.3% for 2022; and 37.5% for 2023. *See id.*

⁵ *See* VEIC Presentation to EERS Committee, July 20, 2020, at 3-4.

⁶ 2018-2020 New Hampshire Statewide Energy Efficiency Plan at 15.

year period, the Utilities' budgets for energy efficiency programs are weighted in favor of the second half of the triennium, to the detriment of the first half.

The Utilities' proposed annual savings targets disproportionately concentrate savings in the third and, to a lesser extent, second year of the triennium. Due to not achieving higher energy efficiency savings in the first half of the triennium, New Hampshire would experience higher overall energy demand and costs, as well as greater consumption of fossil fuels, in the long run. As energy efficiency is the least cost energy resource available and is the most direct way to reduce the use of fossil fuels, New Hampshire must maximize energy efficiency savings immediately, instead of waiting until the second half of the triennium, to take greater advantage of such savings opportunities. Accordingly, in order to avoid leaving significant energy efficiency savings on the table, CLF urges the Utilities to increase their energy efficiency savings targets and investments during the first two years of the triennium. Increasing the annual savings in the first half of the triennium would also enable the Utilities to achieve the more ambitious cumulative savings targets that were recommended in the preceding section.

3. Both the Funding and Number of Participants Should be Increased for the Income Eligible Program

While the COVID-19 pandemic has resulted in far-reaching economic and health effects, it has had a disproportionate impact on marginalized and low-income communities. Specifically, such communities are more likely to face serious health issues, experience unemployment, and struggle to pay rent and energy bills. These challenges necessitate that New Hampshire prioritize programs that reduce energy burdens for low-income communities. Energy efficiency has consistently delivered savings and lowered energy bills for customers, and New Hampshire's energy efficiency program already includes an "income eligible" program that aims to reduce "energy poverty."⁷ Accordingly, the 2021-2023 New Hampshire Statewide Energy Efficiency Plan can play a key role in alleviating the high energy burdens faced by low-income communities in the wake of the pandemic.

Pursuant to RSA 374-F:3(VI), "no less than 20 percent of the portion of the [SBC] funds collected for energy efficiency shall be expended on low-income energy efficiency programs." The Second Draft Plan only proposes to allocate the minimum required percentage to low-income energy efficiency programs, *i.e.* the "income-eligible" or "Home Energy Assistance (HEA)" program.⁸ Although the HEA program may not achieve the same level of MWh or MMBtu savings as the commercial and industrial (C&I) program, the HEA program achieves broader societal benefits

⁷ The Second Draft Plan defines "energy poverty" as occurring when a household spends ten percent or more of its income on energy-related expenses. *See* Second Draft Plan at 115.

⁸ Second Draft Plan at 22, 29.



than the C&I program and is still cost effective pursuant to the Granite State Test, as reflected in the attachments to the Second Draft.

Due to the far-reaching effects of COVID-19, the HEA program should be expanded for the 2021-2023 triennium beyond what has been proposed in the Second Draft Plan. Rather than spending only 20 percent of SBC funds on the HEA program, CLF urges the Utilities to spend at least 25 percent of the SBC funds on the program. The Utilities could potentially accomplish such an enlargement of the HEA program by significantly increasing the number of participating households from the 6,894 total households that are currently proposed.⁹

CLF appreciates the EERS Committee's consideration of its comments and looks forward to receiving feedback from the other Committee members.

Sincerely,

/s/ Nick Krakoff

Nick Krakoff
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⁹ See Second Draft Plan at 124.

July 24, 2020

D. Maurice Kreis
Consumer Advocate
Chair, EERS Committee
Office of the Consumer Advocate
Via Electronic Mail - Donald.Kreis@oca.nh.gov

Dear Mr. Kreis and Members of the EERS Committee:

Acadia Center respectfully submits the attached comments in response to the New Hampshire Electric and Natural Gas Utilities (collectively, the “NH Utilities”) *Draft 2021-2023 New Hampshire Statewide Energy Efficiency Plan (Draft NH 2021-2023 Plan)* submitted for stakeholder review on July 1, 2020.

Through research and advocacy, Acadia Center envisions a clean energy, energy efficient, and low-carbon economy focused on clean technology – not fossil fuels – to heat buildings, power transportation, and generate power. Acadia Center is pursuing reforms that encourage states to [Make the Next Decade Count™](#) by aggressively phasing out fossil fuels and expanding clean energy to achieve necessary reductions in climate pollution by 2030. These actions will grow the region’s economy, create jobs, enhance public health, improve the quality of housing, and increase access to transportation.

Acadia Center recommends that electric and gas savings are ramped up in a meaningful way to allow for acquisition of all cost-effective energy efficiency resources across all fuel types and sectors to help NH residents, businesses, and institutions meet their energy needs while reducing the cost of energy. Other Northeast states are making tremendous progress in their energy efficiency programs by maximizing the use of weatherization and energy efficiency measures, reducing economic insecurity from the inefficient use of fossil fuels, and creating new jobs and businesses to deliver affordable energy efficiency products and services. New Hampshire can do so, as well.

Acadia Center understands that we face unprecedented challenges due to the COVID-19 pandemic and commends NH Utilities’ efforts to continue providing energy efficiency services to NH energy customers. Acadia Center also appreciates the NH Utilities’ collaboration with the EERS Committee to incorporate suggestions to the April 1 Draft. We look forward to working with the EERS Committee, the Office of the Consumer Advocate, and the NH Utilities to advance better strategies to implement effective, robust energy efficiency programs and projects in New Hampshire.

Respectfully Submitted,

Jeff Marks
Maine Director
jmarks@acadiacenter.org

CC: Members, Energy Efficiency Resource Standard (EERS) Committee

Draft of the 2021-2023 NH Statewide Energy Efficiency Plan

Response by Acadia Center to July 1, 2020 Draft

To EERS Committee, July 24, 2020

Acadia Center appreciates this opportunity to provide written comments in response to the NH Electric and Natural Gas Utilities (collectively, the “NH Utilities”) *Draft of the 2021-2023 New Hampshire Statewide Energy Efficiency Plan* (“*Draft 2021-2023 NH Plan*”) submitted for stakeholder review on July 1, 2020. NH Utilities made significant revisions in scope, savings, timeline, process, and program details based on the COVID-19 pandemic as well as incorporation of public and EERS Committee comments on the April 1 Draft Plan. Acadia Center’s comments are based on examination of the *Draft 2021-2023 NH Plan*, its analyses and reports on energy efficiency programs across the Northeast region, its preliminary comments on the April 1, 2020 *Draft 2021-2023 NH Plan*, and subsequent conversations and deliberations within the EERS Committee. Acadia Center is not submitting comments on specific program details, but more on the savings and concepts that bind those programs together.

Summary

An energy efficiency resource standard (EERS) is intended as a quantitative, long-term energy savings target for utilities to procure an increasing percentage of their future electricity and natural gas needs using energy efficiency measures. The EERS is a landmark policy that can produce millions of dollars in savings by helping residents and businesses reduce energy costs and pollution from energy production. The EERS Committee was successful in expanding the budget and role for stakeholders in developing the initial 2018-2020 plan and should maintain its leadership in the key phases of design, implementation, and evaluation of programs in the 2021 – 2023 plan and future plans. In sum, Acadia Center recommends the final 2021-2023 Plan include:

- Increased energy efficiency savings for 2021-23, and a commitment to a ramp up to delivering all-cost effective energy efficiency in future plans;
- Significant benefits to NH’s economy, businesses, and workers;
- Increased workforce development and training, especially for NH’s most vulnerable and rural communities and individuals;
- Targeted marketing, education, and enhanced incentives especially for NH’s most vulnerable and rural communities and individuals;
- Upgraded energy efficiency data tracking systems and transparency;
- Enhanced building code development, implementation, training, compliance, and enforcement; and
- Acceleration of the programs’ efforts to electrify and weatherize buildings heated by delivered fuels.

New Hampshire’s Energy Efficiency Programs - The Need for Increased Energy Efficiency Savings

New Hampshire needs a bold, effective, and broad-reaching energy efficiency plan for action over the next three years to reduce climate pollution, aggressively phase out fossil fuels, and expand energy efficiency and clean energy so that the State transitions to a healthier, more equitable clean energy future. Acadia Center’s [EnergyVision 2030](#) shows that if states transform buildings, energy, and transportation systems, the Northeast can reduce carbon emissions 45-50%

by the year 2030, on the path to elimination of emissions from the energy sector by 2050. New Hampshire lags its New England neighbors in overall energy efficiency policies and progress, according to the [American Council for an Energy-Efficient Economy's 2019 national efficiency scorecard](#). While Massachusetts, Connecticut, Rhode Island, and Vermont are in the top 10 for overall state-wide energy efficiency policies, with Massachusetts, Rhode Island, and Vermont all realizing utility savings above 2% of retail sales, New Hampshire remains in the middle of the pack. The State has seen improvements in recent years; however, New Hampshire must do more to become a regional leader on energy efficiency.

New Hampshire deserves to reap the benefits that a more robust NH Saves program can provide. This type of program not only reduces energy use and costs, but improves public health, supports economic progress, and is consumer friendly. New Hampshire has some of the oldest and leakiest housing stock in the nation and a high dependency on fossil fuels for heating. Building heating is also one of the largest sources of greenhouse gas emissions in New Hampshire. A renewed focus on cleaner and better buildings will help make the next leap forward. There is an opportunity to save millions of additional dollars by helping residents and businesses more aggressively reduce energy costs and pollution. Past progress shows that transitioning to a clean energy future will grow the economy, create jobs, enhance public health, improve housing, and increase access to low-carbon heating.

Accordingly, some of the most significant details for the *Draft 2021-2023 NH Plan* are the expected savings levels and budget. According to the Plan, the NH Utilities are projecting to achieve cumulative energy savings of 4.2 percent of the NH Electric Utilities' 2019 kWh delivery sales and 2.8 percent of the NH Natural Gas Utilities' 2019 MMBtu delivery sales. On an annual basis, this works out to be approximately, as a percentage of 2019 electric sales, 1.2 percent in 2021, 1.3 percent in 2022, and 1.6 percent in 2023. While the July Draft provides some ramp-up in energy savings over the three-year period, the overall levels of triennial savings have not changed significantly from the April draft Plan and are insufficient.

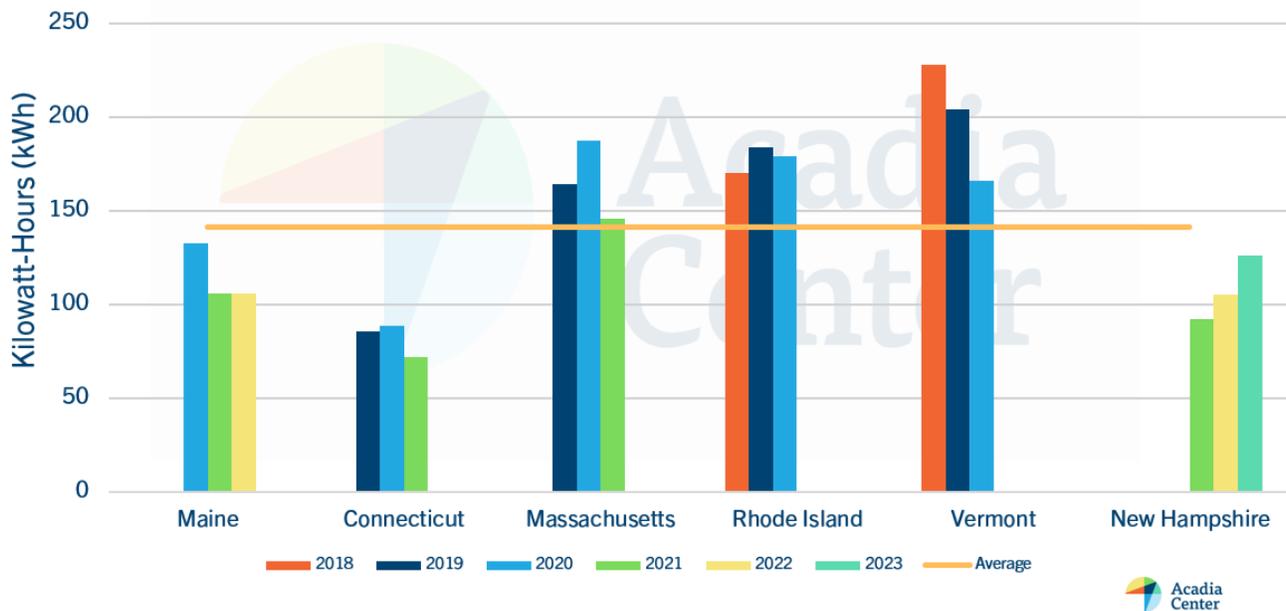
During the June 15, 2020 EERS Committee, the OCA presented an "all cost-effective energy efficiency" option that achieved a cumulative energy savings of at least 5 percent of 2019 electric sales over three years and at least 3 percent of 2019 natural gas sales over three years. Under this option, the NH Utilities could carry budgets forward or back within the three-year period and reprogram performance incentives to align with integrated savings goals and risks faced by the utilities, in accordance with the preference for flexibility in light of the COVID-19 pandemic. This flexibility would allow goals, programs, and/or budgets to be adjusted during the triennium as needed. This option was also referred to as a "rise to the challenge" option to recognize cost-effective savings needed to drive energy efficiency budgets, in the spirit of the 2016 approval of the EERS concept. The organizations support setting a high target and continuing an upward trajectory of savings now to better ensure that NH energy efficiency customers and energy consumers realize the substantial benefits of energy efficiency programs.

Acadia Center acknowledges that the 2021-2023 electric and natural gas savings and budgets are more challenging to predict, calibrate, adjust, and establish and that additional analysis and adjustments are likely to be ongoing in the wake of the COVID-19 pandemic. Acadia Center also recognizes that NH utilities will continue to revise and submit additional data on its efficiency program planning and implementation in the face of unforeseeable and/or unavoidable constraints. Savings goals are impacted by a variety of factors, including program costs, availability of the workforce necessary to carry out the efficiency programs, other public policy considerations like equity or carbon emissions reductions, and now, COVID-19.

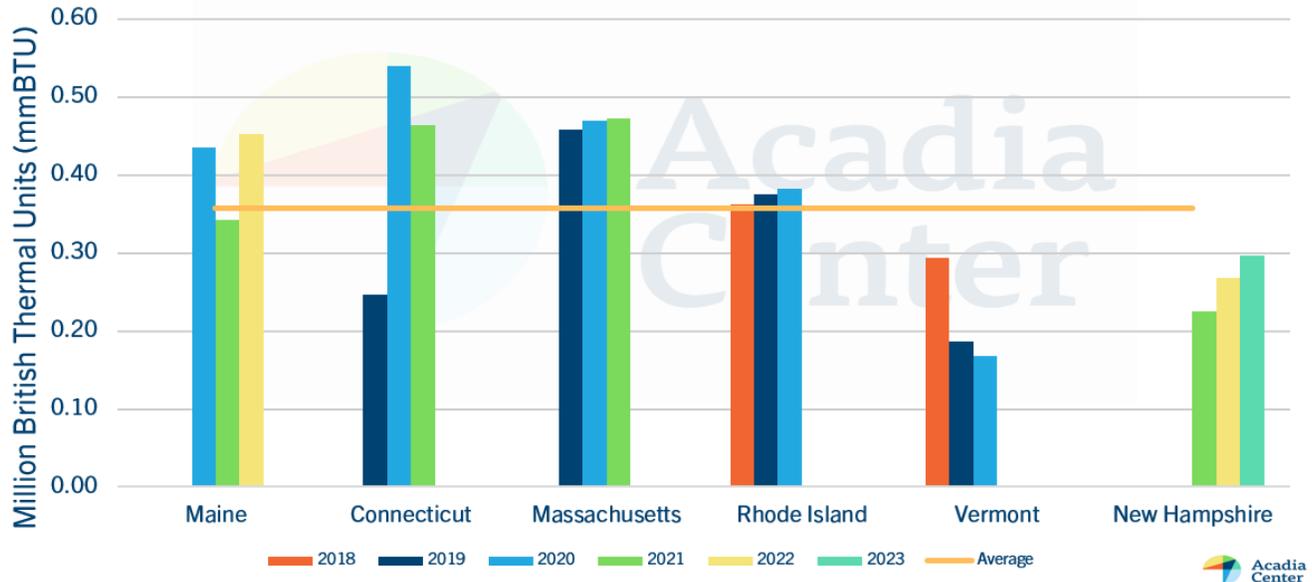
However, Acadia Center recommends that the NH utilities should strive for annual savings levels that are at least 5.0 percent of electric sales and more than 3.0 percent of gas sales over a three-year period. Acadia Center recommends targets for energy savings that enhance heating improvements for households of all income levels and consumer access to financial assistance and incentives related to energy efficiency and the use of alternative energy resources. A robust, escalating EERS sends a clear signal to the market in residential, commercial, and industrial programs and a level of certainty that encourages more investment in cost-effective energy efficiency.

For comparison with other New England States, the two graphs below illustrate per-capita annual planned electricity (kWh) and total fossil fuel (MMBtu) savings from the most recent state triennial energy efficiency plans. The solid yellow line represents the average annual savings across the region. Normalizing across population, New Hampshire is below the regional average for per-capita annual electricity and fossil fuel savings for 2021 through 2023, compared across the New England region.

Per-capita Annual Electricity Savings



Per-capita Annual Fossil Fuel Savings



In the ACEEE Comments to the NH EERS Committee on the *Draft 2021-2023 NH Plan*, the organization also recommends a higher energy savings of 5 percent for electricity and 3 percent for natural gas, citing Massachusetts, Rhode Island, and Vermont as achieving in excess of 2.30 percent per year for electricity and Massachusetts and Rhode Island in excess of 1.2 percent per year for natural gas. The ACEEE asserts that, with the same utilities as NH running energy efficiency programs in those states and demonstrating higher savings in those states, New Hampshire can and should strive to set more aggressive goals. If New Hampshire makes the incremental but robust investment in energy efficiency and continues to build the workforce and delivery channels, then the cost of acquiring each unit of energy savings will decline, setting the stage for even higher savings in 2024-2026.

Draft 2021 – 2023 Plan Priorities

The *Draft 2021-2023 NH Plan* presents ten priorities in the triennial plan. Acadia Center generally supports the priorities and provides some context and comments related to each priority.

Priority One: Commitment to Deliver Cost-Effective Energy Efficiency

Throughout the 2021-2023 term, the NH Utilities plan to “deliver tailored, comprehensive solutions to customers and drive electric and natural gas savings beyond lighting measures.” In the most basic terms, energy efficiency is about investing money in ways to help consumers and the energy system save money. On a large scale, efficiency investments avoid the need for expensive new generation and infrastructure. Cutting demand generates macroeconomic growth, creates jobs, and keeps energy dollars in the local economy. A fundamental challenge in making the electric and natural gas systems work with less infrastructure is to find a reliable way to identify and capture all cost-effective efficiency resources. Other states that have adopted the principle of ensuring that utilities purchase the lower cost energy resource first – energy efficiency (often referred to as Least Cost Procurement or All Cost-effective Efficiency) are proving that doing so brings macroeconomic and market penetration benefits, and

consumer and environmental savings based on economics that is flexible to changing market conditions and maximizes consumer benefits. Energy efficiency resource standards and plans and investments reap large savings and reduce capital investments in traditional grid infrastructure and spending on fossil fuels.

Savings targets for electricity and natural gas set out in a 3-year plan must be robust, increasing, and achieved, moving toward capturing all cost-effective efficiency. The NH Utilities should develop a final plan for 2021-2023 that ramps up from 2020 electric savings to at least 5.0 percent of electricity sales over the three years, and natural gas savings to at least 3.0 percent over three years. These savings represent significant steps toward all cost-effective energy efficiency but are still conservative compared to other New England states. Given that the EERS framework includes a long-term goal of achieving ALL cost-effective energy efficiency, NH Utilities should also provide plans for ramping up to higher levels of savings in future plans. Other states are achieving higher levels of savings, delivering higher benefits to their ratepayers, and making better use of this lowest cost resource. New Hampshire can do better.

Priority Two: Provide Significant Benefits to New Hampshire's Economy

In addition to enabling high levels of energy savings, investment in cost-effective energy efficiency creates jobs and boosts economic activity, partly because they keep money in the region instead of spending it on imported fossil fuels for electric generation. Energy efficiency reduces the cost of doing business and lowers residents' energy bills, leaving them with more disposable income to spend on other goods and services. These two effects lead to job creation and economic growth.

Priority Three: Increasing Participation through New and Expanded Program Pathways

Acadia Center supports consistent, effective incentives that help consumers plan their energy efficiency investments over time and guide customers to the best options. The NH Utilities propose to effectively scale up the NHSaves Programs to increase energy savings and program participation by introducing or reinforcing multiple "on ramps" with varied levels of participation requirements for different customer types. According to the *Draft 2021-2023 NH Plan*, the NHSaves residential programs will introduce or more heavily promote several pathways, including: code-plus initiatives, online platforms, single-measure rebates, energy kits, and virtual audits.

Acadia Center strongly supports increasing program participation and savings by creating programs that meet the consumers where they are, as well as consistent, effective incentives that help consumers plan their energy efficiency investments over time. Acadia Center encourages the NH Utilities to gather data on which new pathways are most effective at reaching targeted populations, especially those that have not yet participated in the programs, and ways to move single-measure rebate customers to deeper levels of savings. Acadia Center also supports the utilities' plans to encourage additional participation through main street and community outreach initiatives, as well as the creation of tailored marketing collateral targeting C&I customers and market segments. In addition, Acadia Center encourages the NH Utilities to look to the Massachusetts programs' success in market segmentation through targeting business sectors with similar needs, such as grocery stores.

Priority Four: Offer Effectively Packaged Solutions to Engage Customers

The NH Utilities propose to expand midstream and point-of-purchase rebate offerings for the NHSaves Residential programs, as well as include additional tiers and bonus incentives for the residential new construction marketplace. For the C&I programs, the NH Utilities propose to create standard offer marketing pieces, such as sell sheets and

presentations, specifically developed for target C&I market segments and end-use equipment. Acadia Center generally supports these proposals.

Priority Five: Continue to Develop New Hampshire's Energy Efficiency Workforce

The NH Utilities propose to work with regional partners to increase training and workshops. Energy efficiency is the fastest-growing segment of U.S. energy-sector employment, now employing more than 2.3 million Americans, according to an analysis from E2 and E4TheFuture. Energy efficiency workers now account for 28% of all U.S. energy jobs, although the COVID-19 pandemic is leading to job losses in all energy industries. A recent [E2 analysis](#) of clean energy job loss as a result of COVID-19 found that New Hampshire has lost over 1,200 jobs in the state's energy efficiency sector compared to pre-COVID employment. This represents a 10 percent decline in energy efficiency employment throughout the state.

The report, [Energy Efficiency Jobs in America](#), finds energy efficiency jobs grew 3.4 percent in 2018 –more than double the rate of growth for overall jobs nationwide — with not a single state with declines in energy efficiency employment in 2018. In NH, the report shows:

- 11,733 total energy efficiency jobs;
- 1,939 energy efficiency businesses;
- 25% of all construction jobs are in energy efficiency.

Acadia Center supports expanding NH's energy efficiency workforce as a key component of the *Draft 2021-2023 NH Plan* and believe it is integral to helping NH businesses and homeowners save money while creating local jobs. Energy efficiency jobs include positions in manufacturing, construction, retrofitting buildings, professional services, as well as at the heating, ventilation and air conditioning (HVAC) companies that upgrade outdated inefficient HVAC systems, boilers, ductwork and other equipment. Acadia Center is especially pleased to see proposals to enlist a workforce development vendor to coordinate strategic planning and implementation – signaling both a short- and long-term commitment to workforce development – and urges the NH Utilities to focus on hard-to-reach areas, including low-income and rural populations.

The Massachusetts Program Administrators (PAs) commissioned a [Workforce Development Needs Assessment](#), and finds through a *regional* workforce survey (including New Hampshire) the following:

“A small applicant pool and low public awareness, among other issues, contribute to hiring difficulties for energy efficiency employers. Ninety-two percent of employers reported hiring difficulty over the last 12 months, with 45 percent indicating that hiring had been very difficult. Employers' top reported reasons include lack of experience or industry-specific knowledge, a small applicant pool, and competition with other industries. The hiring problem is compounded by limited public awareness of the benefits and opportunities associated with energy efficiency jobs. Between 48 to 56 percent of potential workers indicated that they are either unaware or have no opinion on the benefits of an energy efficiency career and if these jobs provide adequate compensation, benefits and perks, career advancement opportunities, or flexible work schedules. High school graduates rarely consider these trades an option as parents and guidance counselors typically advocate for a college education or the career benefits of professional service occupations.”

Acadia Center supports a triennial plan that devotes resources to workforce development and recommends a greater focus on more vulnerable communities and workers who may not have equal access or opportunities available to them. These vulnerable communities included, but are not limited to, indigenous people, immigrant communities, communities of color, low-income communities, and youth and seniors. Each community has unique vulnerabilities and specific concerns and circumstances but should be a focus of workforce development initiatives.

New Hampshire's workforce needs be well informed and trained in new and existing heating systems and technologies to ensure they are properly installed, maintained, and utilized most effectively. If New Hampshire prioritizes workforce training in the energy sector, and provides proper training for space heating, cooling, and hot water, a plethora of benefits, including jobs, energy efficiency, enhanced indoor air quality, greater comfort, and reduction of emissions will follow. In turn, home and business owners will experience energy bill savings.

Priority Six: Increase Outreach to Main Streets, Municipalities and Rural Areas

Identifying concrete program design changes and outreach is needed to better serve vulnerable populations, such as rural renters and homeowners, low-income consumers, non-English speakers, and small businesses. Acadia Center supports the introduction of a new municipal and community partnership strategy to enhance outreach, as well as identifying barriers to participation and identification of solutions.

Energy efficiency programs tend to be more inaccessible to low-income households, small businesses, and rural populations. The upfront capital requirements for energy efficiency improvements and installation of more efficient or renewable energy systems can be a major deterrent. Significant barriers, like high upfront costs, split incentives between owners and renters, and inadequate information outreach, exist and proliferate. Acadia Center supports increased outreach, education, and tailored programs for these communities.

Priority Seven: Upgrading Weatherization Systems and Data Tracking

Acadia Center is committed to working to ensure changes to program delivery and data management that better track and improve access for targeted customer segments are included in the 2021-2023 Plan. The way NH Utilities utilize, share, and protect data has been an ongoing issue, and its importance will only increase as the programs collect more customer data. The *Draft 2021-2023 NH Plan* proposes some improvements in using energy efficiency data, but it is unclear how data will be harmonized sufficiently with creation of a common data platform across utilities. The platform should be capable of enabling two-way engagement between customers and 3rd party providers and facilitate targeting, coordination, and customer service. Acadia Center also requests additional clarification on how the NH Utilities program data will be integrated into a statewide database as it is collected.

Priority Eight: Implement Effective Active Demand Reduction Strategies

The NH Electric Utilities plan to implement two C&I active demand reduction (ADR) pathways: Interruptible Load and Storage Performance. For the 2021-2023 term, the NH Electric Utilities will include three residential ADR pathways: Smart Thermostat, Battery Storage, and Electric Vehicle ("EV").

While the *Draft 2021-2023 NH Plan* lacks details on customer engagement, energy savings and performance data, implementation services, participation targets and other information, Acadia Center is generally supportive of a full ADR program. Utilizing the efficiency programs to address other issues in the energy sector, such as peak demand, is particularly important as it relates to winter system reliability. Reducing peak demand on the coldest and hottest days

can save ratepayers significantly and avoid running the dirtiest generators. Incorporating smart controls, battery storage, and EVs in the EERS is an appropriate way to deploy and leverage the value of these resources.

Priority Nine: Implementing an Energy Optimization Pilot

The Draft 2021-23 Plan proposes an “energy optimization” pilot. The *Draft 2021-2023 NH Plan* proposes this as a three-year pilot, not a full-program scaled initiative. Acadia Center is supportive of programs that enable strategic electrification for customers who heat with fossil fuels, but not a program that would further incentivize customers to switch from delivered fuels to natural gas. Acadia Center is pleased that the EO pilot will focus on the transition from residential delivered fossil fuel heating systems to cold climate air source heat pumps (“ASHPs”), including central and mini-split systems. There is opportunity for further penetration of heat pump technologies, bundled with weatherization, in any energy optimization pilot. Such a pilot offers an opportunity for additional education and incentives on heating and hot water options to ratepayers, including cold climate air source heat pumps, incentives for switching to renewable and clean energy heating technologies and air sealing, weatherization, and high efficiency equipment for residential customers who heat with oil or propane, delivering significant savings in GHG emissions and benefits to customers..

Heat pumps designed for use in low temperatures are seeing accelerated adoption in the Northeast. For example, Maine, the coldest state in the Northeast, has installed over 46,000 heat pumps over the last seven years and has a target to install 100,000 more by 2025. Vermont, the region’s second coldest state, has installed heat pumps in about 1% of its homes per year since 2015. Both states offer rebates to customers who install heat pumps through their energy efficiency programs, and Vermont further offers a bonus rebate to low- and moderate-income customers. Other states across the Northeast are following the lead of Vermont and Maine and have adopted heat pump incentives in their energy efficiency programs and we look forward to working with the NH Utilities to expand their programs and the EO Pilot to capture more energy and cost savings through greater penetration of heat pumps in NH homes and buildings. Acadia Center questions whether three years is too long for such a pilot program and recommends a more aggressive strategy to incorporate heat pumps and hot water heat pumps in more homes, with a focus on low-income and rural communities.

For more information on educating consumers and vendors, coupling heat pumps with weatherization and integrated controls, and other pathways to increased installation of heat pumps to meet state policy goals, please visit Acadia Center’s Clean Heating Pathways @ <https://acadiacenter.org/document/clean-heating-pathways/>.

Priority Ten: Increase Energy Efficiency Portfolio Savings from Non-Lighting Measures

The NH Utilities propose to transition energy efficiency portfolio savings away from lighting to non-lighting measures during the 2021-2023 term. To do this efficiently and effectively and ensure that the benefits of non-lighting energy efficiency measures are greater than the costs, the NH utilities must ensure that they are investing in all cost-effective efficiency. Rhode Island and Massachusetts’ regulators have adopted the Total Resource Cost (TRC) test to facilitate investments in energy efficiency based on economics. By comparing the net present value of a stream of benefits over the net present value of a corresponding stream of costs, the TRC test indicates that an efficiency measure or program is cost effective if the benefits outweigh the costs for consumers.

The NH Utilities have also used the TRC test with various amendments and eventually adopted the Granite State Test and two secondary tests to be applied to the 2021-2023 Plan. The Granite State Test, the primary cost-effectiveness

test, “measures the utility costs of delivering energy efficiency programs against the benefits that accrue to the utility system, as well as those benefits associated with improving outcomes for limited-income participants, reducing participants’ use of unregulated fuels and water, and a RGGI/carbon emissions proxy.”

One reason that the NH Utilities have given for the decline in electric savings in the DRAFT 2021-2023 Plan is the rising baselines in residential lighting and that they can no longer claim as much savings for LED light bulbs, because LEDs are increasingly the bulb of choice anyway. Acadia Center agrees this market transformation is happening – and it is a good thing for our environment and economy. Despite the amount of savings that the programs can claim from residential lighting declining precipitously as LED bulbs become the norm, this change in baselines alone is not sufficient to justify the NH Utilities’ proposed savings, as they should be able to make up significant amounts of savings by making improvements in other areas.

One of the most cost-effective strategies to increase energy savings is through weatherization, which delivers benefits and savings to New Hampshire homeowners, consumers, and businesses many times greater than the public’s investment, and increases economic and energy productivity. Weatherization helps alleviate heavy energy burdens through cost-effective improvements such as insulation and air sealing. Energy efficient weatherization measures continue to save money and energy year after year and increase household income so funds can go towards key living expenses. Community action agencies, other non-profits, and local governments are key partners to delivery services to low-income families. NH Utilities should continue and expand its work.

Acadia Center also recommends a shift, in conjunction with increased weatherization, to replacing fossil fuel systems used for heating and hot water with heat pump technologies that operate at high efficiencies. A combination of weatherization and electrifications will shift from fossil fuels to electricity in a strategic manner that increases efficiency, reduced pollution, and decreases customer costs. The Draft 2021-2023 plan period provides an opportunity for NH Utilities to work together with stakeholders to evaluate the benefits of electrification, promote the deployment of heat pumps, and determine how to modify rate designs to incentive efficiency electricity consumption.

Proposal for 3-Year Planning Structure

Acadia Center generally supports the NH Utilities proposal to utilize a three-year plan for the *Draft 2021-2023 NH Plan* period. The *Draft 2021-2023 NH Plan* includes triggers for limited circumstances under which the Plan can be amended. The Plan proposes that energy savings targets are set for the entire three-year period with each year having an annual target “directional” energy savings goal and individual program budgets for each program year as well as the three-year term. This three-year planning structure offers program continuity and market transformation efforts to extend across years, as well as enabling ramp up in savings across the three years.

According to the Plan, this three-year structure “will improve program delivery to customers, foster innovation, provide greater flexibility to adapt to fluid and evolving market conditions, and result in a more cost effective and efficient process for the NH Utilities and stakeholders.” Acadia Center feels this planning structure is fair and the NH Utilities deserve flexibility to adapt to changing economic conditions, market needs, and other circumstances, especially as we urge greater cumulative energy savings over the three-year period. The ultimate success of a true three-year plan will, of course, necessitate and be dependent on regular, robust, and transparent reporting and evaluation, particular to support significant mid-term modifications if needed.

Marketing and Education

As stated in Priority Six above (Increase Outreach to Main Streets, Municipalities, and Rural Areas), guidance from utilities and energy efficiency professionals can make energy efficiency improvements more understandable, accessible, and easily implemented by both homeowners and businesspeople. Experts help consumers work through the available information about upfront costs, how to choose a contractor, quotes and pricing, available incentives, and resulting energy cost savings. Acadia Center supports more and better marketing and education to the consumer to help build a foundation of common knowledge to lead to greater public acceptance and adoption of energy efficiency programs.

As new technologies and programs are available in New Hampshire that improve heating systems, weatherization, lighting, and other efficiency measures, it is vital to educate the public and companies working in the sector to ensure that people are not only more educated on their use, but also so they are aware of the financial and other assistance available to them. Information flow and accuracy to energy consumers can be lacking, and utilities, public, private, and nonprofit energy representatives need to do a better job at providing honest, consistent information.

Acadia Center commends the NH Utilities for targeting underserved customer segments more than in the April draft. NH needs to develop, market, and implement programs that markedly reduce energy burdens and make its housing more affordable, safe, and healthy for all people – especially low- and moderate-income households – through a comprehensive approach to new and existing homes. While marketing and education for “engaged greens” and “aspiring greens” as segmented in the *2021-2023 NH Draft Plan*, is laudable, it’s more important and compelling to divert focus to dramatically accelerate low-income weatherization programs to tighten up leaky homes – which are also often unsafe and unhealthy – and reducing energy burden by transitioning to clean, cost-effective heating and cooling systems that rely on renewable electricity.

Building Energy Code Enhancement

On July 13, the NH Department of Environmental Services, GDS Associates, and the Northeast Energy Efficiency Partnership presented the EERS Committee with a NH Energy Code Enhancement Program Discussion Draft for consideration in conjunction with the 2021-2023 NH Draft Plan. The proposal provided an outline that included the following:

- The state adopts new versions of modern energy codes as they are published to enable new technologies and practices to be safely incorporated into new building and major renovation projects and avoids adopting amendments that would weaken the energy efficiency, health, and resiliency benefits of the new energy codes.
- There is consistent, adequate, and dedicated funding available to support energy code adoption, compliance, and enforcement (or activities) initiatives.
- There are adequate resources and support structures for code enforcement and compliance within the state, inclusive of third-party providers.
- There is adequate training and education to support code compliance for code enforcement officials, builders, contractors, architects, HERS raters, engineers, and other relevant industry trades.

The proposal builds on past EESE Board support for code adoption, recognizes that building energy codes are the most cost-effective means to achieve energy efficiency, and draws on consultation with utilities, NEEP, and others.

In the buildings sector, installing clean energy systems and incorporating energy efficient building envelope and structures in new construction is easier and more cost-effective than retrofitting existing buildings. Building high-efficiency new buildings reduces the total heating and cooling need of the building. Without intervention, many new homes built in New Hampshire in the coming years will rely on fossil fuels for heat, which are more costly and subject to price fluctuations than electricity, and risk shut-off for nonpayment. Getting buildings ready for a low-carbon, clean energy future means ensuring that all new construction in New Hampshire meets up-to-date building energy codes and that all areas are treated equally in achieving that goal.

Acadia Center supports a building energy code enhancement process that moves the State toward enhancing building codes designed to deliver maximum energy savings and encourage net-zero or net-zero-ready construction practices that enable the adoption of heat pumps and electric vehicle infrastructure. Such a strategy will improve design and construction of new buildings to provide greater energy efficiency and use of cleaner energy supplies and low-carbon materials. A roadmap is needed to adopt progressively tighter building codes over time and ensure the training of code officers and contractors to improve compliance. Implementation of progressively stringent and uniform building codes and proper training, compliance, and enforcement will provide economic, energy, and environmental benefits for the future. If this activity can take place in the context of the EERS process and in consultation with NH Utility program administrators, even better!

Conclusion

Acadia Center supports a strong, ramped up energy efficiency triennial plan. Energy efficiency is the cornerstone of effective energy policy. As other states across the region have shown, energy efficiency programs that are well-funded and provide the right mix of investment in residential, business, low-income, and other improvements are very successful at reducing both energy costs and consumption, at the same time that they bring jobs to the state and keep energy dollars circulating in New Hampshire's economy. New Hampshire should take this opportunity to invest in energy efficiency as the lowest cost resource.

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