

Energy Planning Advisory Board

Results of June 29, 2006 Meeting

The Energy Planning Advisory Board held a stakeholder forum on June 23, 2006 designed to gather public input on the major energy issues and potential solutions for New Hampshire. The EPAB reviewed all the comment received at the forum and in writing (participants were urged to provide comments in writing) and held an all-day work session on June 29 to begin developing consensus outputs from the forum comments and written materials received.

Below is a raw distillation of the content developed at the EPAB meeting. This information is the starting point for an EPAB report that will be developed from the forum and EPAB deliberations at the June 29th and future meetings with a target report completion date prior to September, 2006.

Note: no priority is given to the issue areas below or the list of potential actions under the sub-headings.

1. Consumer Education

Action – more and better education is needed by the State (primarily OEP, PUC & OCA), providers and Cooperative Extension in the following areas:

- 1.1 Managing energy use and the connection between supply, demand and prices
- 1.2 Tax or other incentives available to consumers
- 1.3 To all the sectors, including residential, commercial (architects etc) and others
- 1.4 Misinformation, i.e. who you can trust for reliable information
- 1.5 Systematic, long-term education program on these issues
- 1.6 Quantification of the benefits of efficiency to consumers
- 1.7 Objectives of state energy policy and the reasoning behind it
- 1.8 NH General Court should be a key audience for all energy education

2. Cost/price of Energy

- 2.1 Affordability for residential, commercial and industrial customers
 - 2.1.1 – Fund social costs of energy separately (from SBC funded programs)
 - 2.1.2 – Increase fuel diversity in order to lower costs
- 2.2 Peak Load
 - 2.2.1 – Promote energy efficiency for all consumers
 - 2.2.2 – Urge rate structure changes
 - 2.2.3 – Provide incentives for load shifting
- 2.3 Voluntary initiatives that may affect cost of energy
 - 2.3.1 – Cost/benefit analysis needed before adoption of new policies

- 2.4 Infrastructure and social needs and analyses
 - 2.4.1 – Policy to maximize energy resources to reduce new generation needs
 - 2.4.2 – State must be active at regional policy level
- 2.5 Systems Benefit Charge
 - Actions are found in other sections

3. Energy Efficiency/Conservation

- 3.1 Incentives
 - 3.1.1 – Assure air drying of clothes is allowed and encouraged
 - 3.1.2 – Low interest financing for EEM from private and public sources
 - 3.1.3 – Higher rates for peak periods (real-time pricing)
 - 3.1.4 – Tax credits for homeowners and commercial facility efficiency improvements
 - 3.1.5 – Establish higher energy standards for appliances not regulated in this way at the federal level
- 3.2 Funding levels for Systems Benefit Charge and other efficiency and low income programs
 - 3.2.1 – Maintain SBC for efficiency programs
 - 3.2.2 – Increase SBC for efficiency programs
 - 3.2.3 – Expand SBC to be fuel neutral in its efficiency programs
 - 3.2.4 – State incentives for domestic hot water or photo-voltaic solar improvements
 - 3.2.5 – Eliminate local policy of higher property assessments for energy efficiency improvements
- 3.3 Energy codes: adequacy and compliance
 - 3.3.1 – Incent/require HERS
 - 3.3.2 – Promote Energy Star+
 - 3.3.3 – Promote LEED certified buildings
 - 3.3.4 – Upgrade state energy code to higher standard
 - 3.3.5 – Increase education and enforcement of state energy code
 - 3.3.6 – Provide incentives for exceeding energy code
- 3.4 Rate design issues
 - 3.4.1 – Investigate rate design that provides incentives for conservation such as lower price for initial demand
- 3.5 State-leased buildings
 - 3.5.1 – Encourage landowner efficiency actions (split incentives)
- 3.6 State legislative commitment to energy efficiency
 - 3.6.1 – Require energy efficiency minimums for all state actions
 - 3.6.2 – Maintain and increase SBC funding for energy efficiency
 - 3.6.3 – Stronger overall commitment to energy efficiency in state law

- 3.7 Technical workforce capacity for delivery of energy efficiency
 - 3.7.1 – Assure energy efficiency design at high school education levels
 - 3.7.2 – ???Wes ideas for contractor education/certification???
- 3.8 State procurement practices re: equipment and construction
 - 3.8.1 - Actions --- ??? Gary???

4. Environmental

- 4.1 Climate change
 - 4.1.1 – Adopt RGGI and consider various state allocation options
 - 4.1.2 – Revise/complete state Climate Action Plan with state goals and actions
 - 4.1.3 – Encourage renewable energy sources and generation
 - 4.1.4 – Reduce energy use and encourage efficiency
 - 4.1.5 – State treasurer should complete investment analysis to assure state investments are consistent with energy goals
- 4.2 Emissions and human health
 - Actions – same as under climate change above
- 4.3 Energy generation siting
 - 4.3.1 – Simplify standards for siting
 - 4.3.2 – Lower threshold for existing state siting process
- 4.4 Land use and forestry impacts
 - 4.4.1 – Provide incentives for forest resource availability (for biomass power)
 - 4.4.2 – Encourage better planning around infrastructure siting
- 4.5 Local versus state control
 - Actions – Bob Scott and Joanne Morin to provide ideas for this...

5. Fuel diversity/Energy supply

- 5.1 Renewable Portfolio Standard
 - 5.1.1 – Pass RPS in NH
 - 5.1.2 – Determine if new and/or existing renewables should qualify
 - 5.1.3 – Allow regulated utilities to be part of RPS
 - 5.1.4 – Provide for varying credits for various renewable classes
 - 5.1.5 – Broaden RPS to include thermal energy
 - 5.1.6 – Think long-term in passing RPS
 - 5.1.7 – Do thorough cost/benefit analysis
- 5.2 Use of local energy sources/fuels (biomass, construction & demolition wood waste, wind, tidal, hydro, solar, geothermal, bio-diesel, conservation & efficiency)
 - 5.2.1 – Support long-term state contracts for local source use
 - 5.2.2 – Support local fuel source use

- 5.3 Non-local energy sources/fuels (nuclear, coal, natural gas, oil, gasoline, diesel)
 - 5.3.1 – Start Seabrook II up
 - 5.3.2 – Have firm back-up systems for co-gen natural gas generation
- 5.4 Distributed energy and siting (local & state)
 - 5.4.1 – More predictable siting standards
 - 5.4.2 – Provide incentives for distributed energy
 - 5.4.3 – Authority for utilities to use distributed energy
- 5.5 Environmental, economic & security benefits of fuel diversification
 - 5.5.1 – Note the emphasis in existing statute – RSA 378??
 - 5.5.2 – Analysis of the benefits of fuel diversification

6. Infrastructure investment

- 6.1 Avoidance/alternatives
 - 6.1.1 – Efficiency promotion
 - 6.1.2 – Encourage new technologies
 - 6.1.3 – Encourage/require peak load shifting
 - 6.1.4 – Encourage distributed generation
 - 6.1.5 – Energy credits for renewable distributed generation
- 6.2 Electricity transmission, natural gas & liquefied natural gas, ethanol, hydrogen
 - 6.2.1 – Encourage siting LNG terminal and pipelines
 - 6.2.2 – Encourage hydrogen distribution systems
 - 6.2.3 – Need consistent standards for gasoline
 - 6.2.4 – Generators should pay for pipelines for natural gas
 - 6.2.5 – Support rate recovery for gas infrastructure investments
- 6.3 Investment source for new electricity generation
 - 6.3.1 – Allow distribution companies to build generation
 - 6.3.2 – Make all new generation investments through competition
 - 6.3.3 – Support timely implementation of FCM
 - 6.3.4 – Provide state-funded low-interest loans for certain generation development

Note for this section: issue of public versus private dollars for infrastructure investment.
- 6.4 Ensuring security
 - 6.4.1 – Promote distributed generation
 - 6.4.2 – Investment in distributed generation at emergency facilities
- 6.5 Siting
 - 6.5.1 – Enhance/simplify siting process
- 6.6 New construction potential lost opportunities
 - 6.6.1 – Incent/require high performance buildings (EEMs)
 - 6.6.2 – Strengthen state energy codes and compliance

7. Electricity market structure/regulatory uncertainty

- 7.1 Future direction – regulated or not?
 - 7.1.1 – Complete restructuring
 - 7.1.2 – Maintain the hybrid restructuring that exists today
 - 7.1.3 – Reverse restructuring (or partially reverse)
- 7.2 Incentives
 - 7.2.1 – Provide for a System Benefits Charge type charge for fossil fuels
 - 7.2.2 – Promote distributed generation
 - 7.2.3 – Adopt an innovative RPS
 - 7.2.4 – Adopt policy to overcome split incentives (landlord/tenant)
- 7.3 Disincentives
 - 7.3.1 – Eliminate inconsistent standard for inverters
 - 7.3.2 – Federal policy changes may be needed
- 7.4 Impact on ratepayers
 - 7.4.1 – Take into account possible negative effects on ratepayers as a result of full deregulation (i.e. effects of turning electricity into full commodity product)
 - 7.4.2 – Think long-term in all policy actions
- 7.5 Reliability of energy supply
 - 7.5.1 – Possible ramifications on customers from deregulation
- 7.6 Wholesale/retail linkage or not
 - 7.6.1 – Make retail prices reflect real-time wholesale pricing
- 7.7 Predictability of energy efficiency and low income programs
 - 7.7.1 – Long-term commitment to maintain EE and low income assistance from SBC
 - 7.7.2 – Eliminate Energy Assistance Program sunset
 - 7.7.3 – Do not raid EE fund for low income program work

8. Reliability/availability of energy

- 8.1 Energy supply and demand
 - 8.1.1 – Info/education to all consumers regarding peak demand
 - 8.1.2 – Promote new generation (from all sources)
 - 8.1.3 – Reduce/shift peak load
 - 8.1.4 – Promote distributed generation
 - 8.1.5 – Maintain existing renewables (such as hydro and biomass)
- 8.2 Distribution
 - 8.2.1 – State \$ should support investment in electricity delivery
 - 8.2.2 – Invest in transmission as platform for competition
 - 8.2.3 – Allow utility ownership and installation of peak generation capacity
 - 8.2.4 – Modern Grid Initiative (C. Below?)

- 8.3 Federal constraints and opportunities
 - 8.3.1 – Forward capacity markets
 - 8.3.2 – Siting liquefied natural gas
 - 8.3.3 – NH must participate in regional efforts

9. Government as a customer

- 9.1 Leadership (through pilots, models and market driving)
 - 9.1.1 – Use UNH as a pilot/model
 - 9.1.2 – State should set higher goals (purchase & efficiency & building construction)
 - 9.1.3 – State must participate in demand response
 - 9.1.4 – Funding commitment
 - a. state budget – better link with expenses and capital
 - b. incentives/credits to agencies for energy savings
 - 9.1.5 – Shop electricity needs and favor renewables for supply
 - 9.1.6 – Adopt innovative RPS
 - 9.1.7 – Encourage municipalities to use energy efficient appliances et al
 - 9.1.8 – Adopt a more developed Climate Action Plan
 - 9.1.9 – Highlight good local initiatives (Cool Cities, Cities for Climate Protection)
 - 9.1.10 – Use more bio-diesel in state fleets
 - 9.1.11 – State should purchase B-20 fuel oil
 - 9.1.12 – Encourage Legislative branch lighting swap out and equip upgrades

10. Transportation and land use

- 10.1 Long Range Transportation Business Plan
 - 10.1.1 – EPAB should receive briefing on it
 - 10.1.2 – EPAB should respond to it on energy issues

Note – transportation energy issues will not be part of this phase of work of the EPAB (except for above) but will be taken up at a future time.