

STATE OF NEW HAMPSHIRE

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D. Maurice Kreis

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December 18, 2017

Ms. Debra A. Howland, Executive Director
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Mr. Jared Chicoine, Director
NH Office of Strategic Initiatives
Governor Hugh J. Gallen State Office Park
Johnson Hall, 3rd Floor
107 Pleasant Street
Concord, New Hampshire 03301

Re: Commencement of Collaborative Process to Establish Clean Energy Fund, DE 14-238, DE 11-250

Dear Ms. Howland and Mr. Chicoine:

Last month, the Public Utilities Commission ("Commission") issued orders approving the proposed sale by Public Service Company of New Hampshire ("PSNH") of its electric generating assets. *See* Order No. 26,078 (approving sale of thermal electric generating assets); Order No. 26,080 (approving sale of hydroelectric generating assets). The Commission's orders are the culmination of a process involving multiple dockets,¹ and premised on the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement (June 10, 2015) ("Settlement Agreement") approved by the Commission in Order No. 25,920.²

An important term of the Settlement Agreement requires the establishment of a Clean Energy Fund. More particularly, Part V of the Settlement Agreement, titled "CLEAN ENERGY AND ENERGY EFFICIENCY COMMITMENTS," states:

A. Creation of a Clean Energy Fund

Upon closing on the [Rate Reduction Bonds], PSNH agrees to provide \$5 million to capitalize a Clean Energy Fund, such amount not to be recovered from customers.

¹ Those dockets included DE 14-238, DE 16-817, and DE 17-124.

² The Commission approved the Settlement Agreement, as modified by an amendment thereto, dated January 26, 2016. *See* Order No. 25,920.

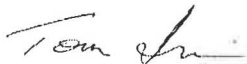
Details regarding the Clean Energy Fund will be established via a collaborative process overseen by Commission Staff and the Office of Energy and Planning. General principles governing the uses of the Clean Energy Fund and any programs supported by the Fund will include but not be limited to: innovation in achieving clean energy benefits; leveraging various sources of funds including attracting private capital to the fund and to programs supported by the fund; expanding access to clean energy across customer classes in a cost-effective manner; and avoiding undue administrative costs.

Settlement Agreement at 24-25.

As signatories to the Settlement Agreement and participants in the dockets related to PSNH's divestiture of generating assets, we view the above-stated term to be an essential one to the Settlement Agreement and believe that the general principles governing the use of the Clean Energy Fund – innovative approaches to advancing clean energy and associated benefits; leveraging other financial resources, including private capital; and expanding access to clean energy across all customer classes – provide a critically important opportunity to maximize and grow clean energy opportunities. For example, we believe the Clean Energy Fund could advance the development of community solar energy resources for the benefit of low- and moderate-income ratepayers. They also could be used to leverage other dollars to expand their reach in the development of clean renewables and energy efficiency. We do not agree that such funds should simply be deposited into the State's existing Renewable Energy Fund.

In light of the Commission's approval of PSNH's sales of its generating assets, and in anticipation of the closing on Rate Reduction Bonds, we request that Commission Staff and the Office of Strategic Initiatives initiate the collaborative stakeholder process required by the Settlement Agreement. We look forward to collaborating to identify the most strategic and effective use of these funds, and we urge you to commence this process as soon as possible.

Respectfully submitted,



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cc: Anne Ross, General Counsel, NHPUC
Chris Aslin, Esq., N.H. Attorney General's Office