



The Jordan Institute

NHPUC APR03'15 PM 4:03

April 3, 2015

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301

RE: Docket DE 15-072 Energy Efficiency Investigation  
Straw Proposal on Energy Efficiency Resource Standard

Dear Ms. Howland:

Thank you for the opportunity to share comments regarding the Public Utilities Commission's (PUC) Straw Proposal Report and PUC Staff Recommendations, regarding DE 15-072, the Energy Efficiency Resource Standard. The Jordan Institute is pleased that the PUC is pursuing research into expanded solutions to New Hampshire's challenges of wasted energy, volatile energy rates and costs, and myriad cascading energy-related conundrums. The EERS Straw Proposal is an important first step to understand perspectives and priorities of stakeholders and aggregate them into one organized document.

The Jordan Institute is a 501(c)3 organization, founded in 1995, and works to solve complex problems at the nexus of economic health, public health, and environmental health, with a specific focus on significantly improving the energy efficiency of commercial buildings. Our programs include advocating for innovative and practical energy-related public policy at the NH Legislature, with State Agencies, and in collaboration with non-profits, businesses, municipalities, and other interested parties; designing and administering energy-related programs – whether in an advisory role or as with the roll-out of the new C-PACE financing program being the lead administrator; and energy-related project implementation, which is now handled entirely by our for-profit subsidiary, Resilient Buildings Group, Inc.

The Jordan Institute has a particular interest in the progress of the EERS and is mission-driven to support the development of a robust and New Hampshire-appropriate plan. In the *Increasing Energy Efficiency in New Hampshire: Realizing our Potential* report<sup>1</sup>, the authors determined that New Hampshire could – through

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<sup>1</sup> Vermont Economic Investment Corporation, GDS Associates, and Jeffrey H. Taylor & Associates, November 2013

policy directives and new initiatives – save an additional 6% of energy relative to electricity sales over the 0.6% savings currently experienced via the CORE energy efficiency programs administered by the Utilities. 1.0% of those additional savings could come from expanded energy-efficiency programs administered by the Utilities, leaving the bulk of savings to come from the “private market”. The State Energy Strategy undertaken in 2014 highlighted the need for an EERS and notable tools that could be incorporated into such a program. Advocacy groups such as ACEEE and NEEP encourage the adoption of an EERS. In fact, New Hampshire’s score on the ACEEE energy-efficiency scorecard continues to drop, in part because EERS has not been adopted or implemented.

As program administrator for New Hampshire’s C-PACE financing program, expected to go “live” in summer 2015, and one such “private market” program, we are disturbed by the paucity of information on how the EERS in action could leverage and support C-PACE and other possible initiatives. Moreover, we are uneasy that the Utilities will be expected to continue to play such a strong (and profitable) role in these conflict-of-interest programs. Even with aggressive decoupling efforts that phase in and then phase out, which we do support, the Utilities have an inherent interest in selling electrons, not to mention that their shareholder incentives and programmatic performance incentives increase costs to ratepayers.

Solving New Hampshire’s energy challenges has always been and will continue to be a very complicated process. We are a small state, interconnected to the grid used by neighboring states. We import much of the fuel for our energy needs, and export and are the conduit for energy used by our neighbors. We have little control over worldwide energy markets or policies. We can control how much energy we use if we focus our efforts on efficiency and renewable energy initiatives. Jordan Institute wants to see an effective adoption and implementation of EERS, not merely a program that allows us to check a box for ACEEE.

The EERS effort is one of Chicken and Egg, which came first? We believe that the Egg came first and that the EERS is the necessary change agent to shift from an earlier utility model to the way energy will be generated, used, and delivered in the very near future. Setting New Hampshire up for a 10-year decoupled environment, shifting to third-party administration of energy efficiency programs, upgrades to a modernized grid, and more robust goals, performance incentives, and tangible penalties for missed goals will all help us reach that 6.6% goal. However, the current approach is cloudy in time frames and accountability.

Jordan Institute works closely with Utility and PUC staff and we have a very good relationship with these motivated and dedicated individuals. We do not wish these comments to reflect poorly on their efforts. They work diligently within the framework they are provided and most often meet goals established for their programs.

Jordan Institute anticipates that the Utilities will boost electricity sales and distribution through new initiatives such as plug-in vehicles and air-source heat pump heating/air-conditioning systems, and as such should have no fears that an EERS will bankrupt them. In fact, it should help their business model evolve.

In reviewing the Straw Proposal and accompanying overview slide deck, Jordan Institute believes there is a disconnect between the opportunity laid out in the VEIC/GDS/Taylor report and the Straw Proposal. We are

very concerned that the energy challenges we face in New Hampshire are not adequately acknowledged or aligned with solutions. New Hampshire residents, business people, municipal officials, and media clamor for solutions; NIMBY is in conflict with energy infrastructure developers; energy efficiency as a solution only

receives a condescending pat on the head. Energy efficiency, especially as effective policies and projects stack atop each other, has been shown through numerous reports, case studies, and example after example, to reduce the need for expanded infrastructure. Energy efficiency solves numerous problems. However, this Straw Proposal doesn't frame solutions in a manner that reassures; instead it creates room for alarm. Ultimately many stakeholders feel these reports are ineffective or lip service to buy time while well-funded infrastructure developers ram their projects through complex processes and wearied sustainability advocates are overwhelmed and ignored.

Jordan Institute has found that by matching motivators to the underlying problems and then providing solutions in a linear way, stakeholders better understand cause and effect and support proactive solutions. An example of a way to express this is illustrated in the following table. We admit that these issues are simplified and require significantly more detail. However, for the purpose of these comments, we suggest that such a table be used in future EERS goal-setting materials.


#### Potential Road Map for EERS Action

Years	Motivators Addressed	Problems	Solutions
2014-2016	<ul style="list-style-type: none"> <li>• Dynamic Electricity Rates</li> <li>• Siting and NIMBY</li> <li>• Rebates/Grants</li> <li>• Safety net for vulnerable people</li> <li>• Confusion – lack of info/educational materials</li> <li>• Public buildings are inefficient</li> </ul>	<ul style="list-style-type: none"> <li>• Capacity</li> <li>• Peak Demand</li> <li>• Underfunded/ Under-marketed CORE programs</li> <li>• Low-income programs underfunded</li> <li>• No appreciable funding for marketing or educational materials</li> <li>• Very limited general funding or easy \$\$\$ for State, County, Munis</li> </ul>	<ul style="list-style-type: none"> <li>• Allow utilities to expand open-market procurement period</li> <li>• Case Studies on EE projects, savings, OTHER BENEFITS</li> <li>• Open docket on expanding CORE</li> <li>• Docket for Time of Use Metering</li> <li>• Carve out 2<sup>nd</sup> dollar from residential portion of RGGI just to support low-income (not as bill credit)</li> <li>• Launch EE Benefits marketing campaign</li> <li>• Expand ESCO work w DAS oversight</li> <li>• Expand TA for Munis to enable projects</li> <li>• Launch Benchmarking campaign</li> </ul>
2015-2018	<ul style="list-style-type: none"> <li>• Rates vs bills</li> <li>• Ratepayers want access to incentives to reduce costs</li> <li>• Safety net for vulnerable people</li> <li>• Siting and NIMBY</li> <li>• Resiliency</li> <li>• GHGe reductions</li> <li>• Shift to Plug-in EVs</li> <li>• Inability to borrow</li> </ul>	<ul style="list-style-type: none"> <li>• Disincentive for Utilities to reduce sales</li> <li>• Grants to provide credibility and leverage for projects and motivation to proceed</li> <li>• Peak Demand and Capacity</li> <li>• Access to EV stations</li> <li>• Outages and brownouts</li> <li>• Paucity of marketing</li> <li>• Cultural shift to finance</li> </ul>	<ul style="list-style-type: none"> <li>• Open Decoupling Dockets for all regulated utilities- phase in, phase out</li> <li>• Pilot Time of Use Metering</li> <li>• Fully fund REF and RGGI programs</li> <li>• Encourage use of super-efficient systems (ASHPs coupled with photovoltaics) and plug-in vehicles</li> <li>• Expand funding for CORE through SBC, as per VEIC Report</li> <li>• Roll out Private financing programs administered by 3<sup>rd</sup> parties</li> <li>• Docket on EE upgrades to existing T+D</li> </ul>

	<ul style="list-style-type: none"> <li>• Confusion – lack of info/educational materials</li> <li>• Public buildings are inefficient</li> <li>• Consumers are unaware of energy use comparables</li> </ul>	<ul style="list-style-type: none"> <li>• not grants</li> <li>• Access to attractive and risk-appropriate financing</li> <li>• Access to information</li> <li>• Paucity of funds to improve public buildings</li> </ul>	<ul style="list-style-type: none"> <li>• Revisit Coos Loop upgrades</li> <li>• Energy Code Compliance</li> <li>• Expand WXN programs – low income and fuel neutral</li> <li>• Sustain EE marketing campaign</li> <li>• Launch Energy Info Center – 3<sup>rd</sup> party</li> <li>• Enable private financing for public blds</li> <li>• Enhance benchmarking campaign</li> </ul>
2018-2022	<ul style="list-style-type: none"> <li>• Rates vs bills</li> <li>• Safety net for vulnerable people</li> <li>• Siting and NIMBY</li> <li>• Smart Buildings and meters</li> <li>• Consumers clamor for EV vehicles</li> <li>• Resiliency</li> <li>• GHGe reductions</li> <li>• Education</li> <li>• Public buildings</li> </ul>	<ul style="list-style-type: none"> <li>• Regional capacity issues</li> <li>• Peak energy and access</li> <li>• Equipment doesn't sync with smart technologies</li> <li>• Extreme weather events</li> <li>• General fund dollars to fix public buildings</li> </ul>	<ul style="list-style-type: none"> <li>• Sustain Energy Info Center</li> <li>• Private financing available across NH</li> <li>• Upgrades to existing T+D</li> <li>• State tax incentives to make EE upgrades on buildings</li> <li>• EE programs administered by 3<sup>rd</sup> party</li> <li>• Education resource center – 3<sup>rd</sup> party</li> <li>• Expand EV Plug-In Stations statewide</li> <li>• Utilities all decouple – for 10 years</li> <li>• CORE programs support “smart” appliances, equipment, and WXN</li> <li>• Private financing and other solutions to fix public buildings</li> <li>• Market-driven energy code compliance</li> <li>• Benchmark data on MLS sheets</li> </ul>
2022-2030	<ul style="list-style-type: none"> <li>• Rates vs bills</li> <li>• Safety net for vulnerable residents</li> <li>• Smart Buildings and meters</li> <li>• Resiliency</li> <li>• GHGe reductions</li> <li>• Public buildings</li> </ul>	<ul style="list-style-type: none"> <li>• Regional capacity issues</li> <li>• Peak energy and access</li> <li>• Equipment doesn't sync with smart technologies</li> <li>• Extreme weather events</li> <li>• General fund dollars to fix public buildings</li> </ul>	<ul style="list-style-type: none"> <li>• Expand Time of Use Metering statewide</li> <li>• Maintain WXN programs</li> <li>• Net Zero buildings</li> <li>• All public buildings have been retrofitted</li> <li>• Majority of NH building stock generates a portion of its own energy</li> </ul>

In closing, the Jordan Institute encourages the PUC to act boldly with this EERS, and looks forward to working with PUC staff, Utility representatives, and other stakeholders in developing an aggressive and New Hampshire-appropriate plan and turning it to action in the near term. We urge the PUC to push for aggressive goals and policy recommendations in the near-term. Thank you very much for the opportunity to provide these comments.

Sincerely,



Laura Richardson  
Executive Director