

STATE OF NEW HAMPSHIRE

Inter-Department Communication

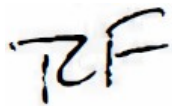
DATE: December 1, 2020
AT (OFFICE): NHPUC

FROM: Elizabeth Nixon, Utility Analyst, Electric Division

SUBJECT: DE 17-136 2018-2020 New Hampshire Statewide Energy Efficiency Plan
Eversource Request for Budget Transfer

TO: Dianne Martin, Chairwoman/Commissioner
Kathryn Bailey, Commissioner
Debra Howland, Executive Director

CC: Tom Frantz, Director, Electric Division
Paul Dexter, Staff Attorney



On November 23, 2020, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) requested approval for the transfer of funds from the commercial and industrial (C&I) sector in the amount of \$3,088,661 to the residential sector. Eversource's request also provided notification of an increase of more than 120% (132% of planned) in the low income program budget (Home Energy Assistance Program) to \$10,674,265, an increase of \$2,564,116. Staff recommends approval of these transfers.

Eversource proposes to move funding from the C&I sector to the residential sector, mainly to the low income program. During 2020, Eversource saw an increase in demand for energy efficiency from the residential sector, while experiencing lower demand in the C&I sector. With the COVID pandemic, more people are working from home and using more energy, while businesses are not inclined to incur additional expenditures. Eversource also offered increased incentives for residential customers to entice additional participation.

Eversource is seeking approval for the transfer between sectors in accordance with Section 4.3 of the 2018-2020 NH Statewide Energy Efficiency plan (p. 35), which states the following:

- *Once the budgets are approved, there will be no movement of funds between the Residential and Commercial & Industrial sectors unless specifically approved by the Commission. In addition, no funds shall be transferred from the Home Energy Assistance Program without prior approval by the Commission.*

- *The NH Utilities shall provide notification to the Commission if an individual program's actual expenditures are forecasted to exceed 120 percent of the program's budget.*

Table 1 shows the actual expenditures that Eversource anticipates for 2020 compared to the approved budgets.

Table 1. Estimated Expenditures Compared to Proposed Budgets

Program	Original 2020 Budget	Anticipated 2020 Actual Spending	Anticipated spending as % of budget	Difference - over/(under) Original budget
Resi - HPwES	\$ 6,543,680	\$ 7,592,970	116%	\$1,049,290
Resi - Products	\$ 5,745,856	\$ 5,867,836	102%	\$121,980
Resi - ES Homes	\$ 2,271,812	\$ 1,625,087	72%	(\$646,725)
Resi - Low-Income	\$ 8,110,149	\$ 10,674,265	132%	\$2,564,116
Resi - ADR	\$ 128,459	\$ 128,459	100%	\$0
Residential Total	\$ 22,799,956	\$ 25,888,617	114%	\$3,088,661
C&I Large	\$ 13,583,836	\$ 9,187,513	68%	(\$4,396,323)
C&I Small	\$ 6,678,372	\$ 7,845,379	117%	\$1,167,007
C&I Municipal	\$ 1,447,985	\$ 1,097,757	76%	(\$350,228)
C&I RFP	\$ 1,482,952	\$ 1,020,610	69%	(\$462,342)
C&I ADR	\$ 380,187	\$ 380,187	100%	\$0
Other (FCM/CEP/EDU)	\$ 1,134,470	\$ 1,111,780	98%	(\$22,690)
C&I Total	\$ 24,707,802	\$ 20,643,226	84%	(\$4,064,576)
Grand Total	\$ 47,507,758	\$ 46,531,843	98%	(\$975,915)

Source: Eversource's request dated November 23, 2020

Eversource proposes to increase the residential sector budget to \$25,888,617, an increase and transfer from the C&I sector of \$3,088,661. Most of the transfer will be applied to the low income program budget which is estimated to increase by 132% from 2020 budget or increase by \$2,564,116 to \$10,674,265. As shown in Table 1, the C&I budget will decrease, especially the C&I Large program budget, which will decrease by about \$4.4 million.

Staff recommends approval of the funding transfer from the C&I sector to the residential sector of \$3,088,661, in order to allow Eversource to meet the requests of residential program participants in 2020. Absent such approval, residential customers would need to wait until 2021 (the next program year) to be served and the funds for the commercial sector will go unspent and result in an over-collection by Eversource, which provides no energy savings this year. Also, Staff agrees with Eversource that approving the transfer will help the workforce serving the residential and low income programs by avoiding a program interruption.

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