

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 17-136

NEW HAMPSHIRE STATEWIDE ENERGY EFFICIENCY PLAN

2019 Update

DIRECT TESTIMONY OF
ELLEN HAWES
ON BEHALF OF ACADIA CENTER

November 2nd, 2018

LIST OF EXHIBITS

EXHIBIT AC-1 Massachusetts Energy Efficiency Advisory Council
October Statewide Dashboard (data through August 2018)

1 **I. INTRODUCTION**

2 **Q. Please state your name, business address and position.**

3 My name is Ellen Hawes. I am the Senior Policy Analyst for Energy
4 Systems and Carbon Markets at Acadia Center. My office is located at 47 Blood
5 Hill Road in Norwich, Vermont, 05055.

6 **Q. Have you ever testified before the Commission before?**

7 A. Yes, I have testified before the Commission in docket DE 15-137
8 establishing the Energy Efficiency Resource Standard, and in DE 16-576,
9 Development of New Alternative Net Metering Tariffs and/or Other Regulatory
10 Mechanisms and Tariffs for Customer-Generators.

11 **Q. Please tell me more about Acadia Center.**

12 A. Acadia Center is a non-profit, research and advocacy organization
13 committed to advancing the clean energy future in the Northeast. Acadia Center
14 is at the forefront of efforts to build clean, low carbon and consumer friendly
15 economies. Acadia Center's approach is characterized by reliable information,
16 comprehensive advocacy and problem solving through innovation and
17 collaboration. Acadia Center's staff has a combined several decades of
18 experience of the impact of utility rate design on consumer adoption of energy
19 efficiency and clean energy technologies, and the ability of consumers to control
20 their energy bills.

21 **Q. What role does Acadia Center play on energy efficiency stakeholder councils**
22 **in other states?**

1 A. Acadia Center holds a seat on the Massachusetts Energy Efficiency
2 Advisory Council (EEAC), currently serves as the Chair of the Connecticut
3 Energy Efficiency Board (EEB) and until 2017 represented environmental
4 interests on the Rhode Island Energy Efficiency and Resource Management
5 Council (EERMC). Acadia Center also played an active role in originally
6 establishing the stakeholder councils in these states.

7 **Q. Please describe your professional background.**

8 A. I have worked at Acadia Center as an analyst for the past 11 years. In
9 New Hampshire I participated as a stakeholder in the 10-Year State Energy
10 process pursuant to RSA 4:E, and served as a member of the Grid Modernization
11 Working Group established in IR 15-296. I also participated as a full intervener
12 in the docket establishing the original Energy Efficiency Resource Standard (DE
13 15-137), the docket establishing the 2018-2020 New Hampshire Statewide Energy
14 Efficiency Plan (DE 17-136) and serve on the EERS Committee of the Energy
15 Efficiency and Sustainable Energy (EESE) Board.

16 **Q. What is the purpose of your testimony?**

17 A. I offer this testimony in response to the 2019 Update to the New
18 Hampshire Statewide Energy Efficiency Plan filed by the New Hampshire
19 Electric and Natural Gas Utilities: Liberty Utilities (Granite State Electric) Corp.
20 d/b/a Liberty Utilities; New Hampshire Electric Cooperative, Inc.; Public Service
21 Company of New Hampshire d/b/a Eversource Energy; Unitil Energy Systems,
22 Inc.; Liberty Utilities (EnergyNorth Natural Gas) Corp d/b/a Liberty Utilities; and
23 Northern Utilities, Inc. (collectively, “the NH Utilities”). My testimony addresses

1 modifications to the structure of the EERS Committee, the budget for the
2 planning consultant, and

3 **II. THE EERS COMMITTEE OF THE EESE BOARD**

4 **Q. What has Acadia Center’s experience serving on the Massachusetts EEAC,**
5 **the Rhode Island EERMC and the Connecticut EEB demonstrated about the**
6 **importance of a fully engaged and informed stakeholder advisory council?**

7 A. A stakeholder advisory council comprised of consumer, environmental,
8 low-income, business, environmental justice and other groups can provide
9 meaningful input and provide accountability to constituents by making sure that
10 utility energy efficiency programs are serving them well. A coordinated process
11 can bring all stakeholders into the discussion before policies and plan details
12 progress to the point where there is little flexibility to address concerns, leading to
13 expending time and resources on contentious litigated proceedings. Structured
14 stakeholder participation should seek to benefit energy efficiency programs in
15 several ways:

- 16 • Address the imbalance in resources and information that can lead to utilities’
17 disproportionate ability to influence regulatory decisions and result in the public
18 perception of unfairness.
- 19 • Greater buy-in by all affected parties, which can reduce the total time of making
20 and implementing decisions. This reduces the regulatory burden and the potential
21 for litigation or appeals of regulatory decisions.

- 1 • Bringing together diverse interests to identify, discuss, and address complex
2 issues and provide recommendations. This helps overcome information gaps and
3 assist regulators' evaluation of plans and policies.
- 4 • Ongoing oversight and continuous improvement of energy efficiency programs
5 once final savings levels are established.

6 **Q. How has the EESE Board succeeded in meeting these goals to date?**

7 A. Energy efficiency stakeholder councils in Massachusetts, Rhode Island,
8 and Connecticut have a statutory mandate and the financial resources necessary to
9 oversee programs, assess the size and character of the cost-effective efficiency
10 potential, guide planning and budgeting, and conduct evaluation, measurement
11 and verification.

12 Because the Energy Efficiency Resource Standard in New Hampshire was
13 not established by statute, the Commission in Order No. 25,932 relied on the
14 existing Energy Efficiency and Sustainable Energy (EESE) Board to serve as the
15 stakeholder council.

16 The EESE Board was established pursuant to [RSA 125-O:5-a](#) “to promote
17 and coordinate energy efficiency, demand response, and sustainable energy
18 programs in the state.” Using the EESE Board as the main EERS stakeholder
19 council, while valuable, has produced several challenges, including:

- 20 1) Lack of an adequate consultant budget;
- 21 2) Lack of clear authority and role;
- 22 3) Lack of adequate time to review plans and quarterly results; and
- 23 4) Existing non-EERS workload and non-EE focused members

1 The EESE Board addressed many of these concerns with the establishment of
2 an EERS Committee, which allowed it to appoint stakeholders who are not on the
3 EESE Board itself to review issues in depth with the planning consultant and meet
4 with greater frequency when needed.

5 The expertise and facilitation brought by the independent consultant, VEIC, in
6 the planning process for the first three-year plan, resulted in significant vetting and
7 resolution of issues before recommendations were brought to the full EESE board.
8 However, the draft 2018-2020 Plan shared with the EERS Committee in May 2017
9 lacked important details. Because there is such a short timeline between the time
10 utilities are expected to file the plans and updates with the Commission (September)
11 and the settlement due date (December), detailed discussion of budgets and programs
12 cannot be left to technical sessions and discovery.

13 **Q. Is the timeline for the stakeholder planning process adequate?**

14 A. The 2019 plan update proposes initiating the stakeholder planning process
15 for the 2021-2023 Plan in Fall 2019. This should provide adequate time for the
16 EERS Committee to review and propose changes to the next triennial plan.
17 However, it is important that the utilities provide a draft plan with a well-
18 developed initial budget and program details by April 2020.

19 **Q. What are some potential solutions to the challenges mentioned above?**

20 A. There are several options that should be pursued.

21 First, instead of reducing the system benefits charge (SBC) revenue from
22 the original amount estimated in the Order in order to account for carryover funds,
23 part of the excess \$1.4 million should be used to robustly fund the consultant who

1 will advise the EESE Board, as well as expand the Evaluation, Measurement
2 & Verification (EM&V) budget.

3 In Massachusetts, the consultant budget is capped at 1% of the overall
4 budget, which results in an annual consultant budget of \$1 million. In NH, the
5 proposed 2019 annual budget is \$54.8 million for both electric and natural gas
6 programs. One percent of that annual budget would be \$548,400, a significantly
7 larger amount than the \$95K proposed each for the annual planning and EM&V
8 consultant. Therefore, Acadia Center believes it would be appropriate to use a
9 portion of the excess funding to support an expanded role for the stakeholder
10 consultant this year and next.

11 Second, the EESE Board should establish an Executive Committee to help
12 focus the committee's agenda-setting and planning efforts. In Massachusetts, the
13 Executive Committee of the Energy Efficiency Advisory Council (EEAC) was
14 originally started as an informal group that met with the Massachusetts
15 Department of Energy Resources, but evolved through by-laws of the EEAC to
16 have named members. Its duties involve agenda setting and it is empowered to
17 assist in the procurement of consultants and initial review of budgets and
18 resolutions.

19 Third, the NH Utilities should be required to release initial quarterly
20 results to the EERS Committee no later than six weeks after the end of the
21 quarter, in order for the Committee to have adequate time for review and
22 discussion. Filing of official quarterly reports with the Commission could follow
23 the existing schedule. Furthermore, monthly "data dashboard" reports should be

1 released to the EERS Committee. These dashboard reports are utilized in
2 Massachusetts¹, Rhode Island and Connecticut. The most recent Massachusetts
3 report is submitted as Exhibit AC-1.

4 **Q. Are there structures on other councils where Acadia Center serves that could**
5 **also serve as examples for changes to the current EERS Committee?**

6 A. The board in Connecticut itself has administrative staff that posts agendas
7 along with other tasks. This has proven helpful to ensure communication with
8 stakeholders is not dependent on agency staffing and priorities.

9 **Q. Is the utility proposal to have the Funding and Financing work group meet**
10 **quarterly and discuss cross-cutting topics during the DE 17-136 quarterly**
11 **meetings adequate?**

12 A. While Acadia Center shares the concerns of many parties that the number
13 of working group meetings should be streamlined, we believe that the current DE
14 17-136 quarterly meetings are inadequate to review and discuss quarterly results,
15 and adding working group discussion to these meetings would not be productive.

16 **Q. Is the proposal for the Performance Incentives working group in the 2019**
17 **Plan Update adequate?**

18 The NH utilities have developed a draft proposal on performance
19 incentives, and propose using this as the basis for the remainder of the discussion
20 of the PI Working Group.

21 Furthermore, they propose that the Working Group should complete its
22 review by the end of the first quarter of 2019, providing enough time for any

¹ <http://ma-eeac.org/wordpress/wp-content/uploads/October-Statewide-Dashboard-data-through-August-2018.pdf>

1 recommendations to be considered for the 2020 plan. Acadia Center believes that
2 the timeline proposed by the utilities is sensible, but believes that the Working
3 Group discussion should be broader than the utilities' draft proposal.

4 **Q. How should the working group meetings, EERS Committee meeting and**
5 **Quarterly meetings be integrated going forward?**

6 A. The newly-established Executive Committee of the EERS Committee
7 should be empowered to schedule discussion of crosscutting issues and review of
8 quarterly results at the meetings of the full Committee. The full EERS Committee
9 should meet with a frequency deemed necessary by the Executive Committee, but
10 likely on a monthly basis.

11 **III. SYSTEM BENEFITS CHARGE**

12 **Q. What is the appropriate level to at which to set the energy efficiency portion**
13 **of the SBC in 2019?**

14 A. The utilities propose a SBC rate of \$0.00352 per kilowatt-hour. This is a
15 \$0.00077 increase from the 2018 SBC energy efficiency program rate of \$0.0027
16 5 per kilowatt-hour, but is 17% lower than the estimated 2019 SBC energy
17 efficiency program rate of \$.00425 that was included in the Settlement
18 Agreement.

19 With the passage of HB 317 in the 2018 legislative session, the
20 Commission will face difficulty in any further increases in the SBC post-2020.
21 We propose setting the SBC at the originally proposed amount of \$.00425, in
22 order to provide \$300,000 for an independent consultant to advise the EERS
23 Committee, and to use the remainder to adjust the efficiency targets upwards.

1 The current EERS targets are far below the long-term goal of all cost-effective
2 efficiency investments, and the high benefit-cost ratios in the plan reflect this.

3 **Q. Does this conclude your testimony?**

4 **A. Yes.**