

**BEFORE THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DE 21-030

UNITIL ENERGY SYSTEMS, INC.

Request For Change in Rates

CLEAN ENERGY NH CLOSING

Clean Energy NH (CENH), intervenor in this docket, is a non-profit member-based organization dedicated to supporting policies and programs that strengthen our state's economy by encouraging the transition to renewable energy, the adoption of advanced energy technologies, and promoting energy efficiency. CENH offers the following closing statement for Docket No. 21-030 as directed by the Commission in the Procedural Order issued on March 4, 2022.

General Support

While there is much in the Unitil rate case settlement agreement ("settlement") that does not apply to our primary issues of concern, CENH signed on in support as significant elements in the settlement will enable Unitil to better meet the needs of a changing electric grid, enabling energy innovation and cost management for all. CENH specifically supports the portions of the settlement related to the: revenue decoupling mechanism; electric vehicle supply equipment (EVSE) make-ready investments; whole-house time-of-use (TOU) rates; outdoor lighting tariffs; and foundational grid modernization.

Electric Vehicles

CENH strongly supports the adoption of electric vehicles (EVs) as the transportation sector is the single largest consumer of energy in New Hampshire, responsible for 42 percent of the state's total end-

use energy.¹ As EVs use 25 percent of the energy of a conventional gas or diesel vehicle to travel the same distance, this technology presents clear economic, energy, and environmental opportunities for the state. However, at the present time, New Hampshire lags the rest of the New England states in developing a public EVSE network. This has implications for New Hampshire residents, as well as the sizable portion of the New Hampshire economy that benefits from out of state tourism.

At the current state of EV adoption and public EVSE deployment, especially in New Hampshire, the cost to purchase, install, and operate public direct current fast charging (DCFC) stations, and even Level 2 charging stations, cannot be recovered through electricity sales alone. As a result, the near-term low-utilization rate of public charging stations hurts the business case for private capital to be invested in developing a robust public charging network. If we do not build out a public EVSE network before EV's arrive en masse, there will be negative impacts to NH consumers. The first is that consumers may not be able to follow through on their increasing desire to purchase an EV out of concern that adequate charging is not available, even if they have home charging available. The second issue is that southern New England states and the Province of Quebec are expected to see robust EVs sales over the next decade. Failure to build a public EVSE network early may give Vermont and Maine a significant advantage in attracting EV driving tourists. The third issue is that EVs will soon be available to all socioeconomic strata as both the price of EVs continues to fall, reaching parity with gas and diesel vehicles, and EVs reach the used car mark in greater numbers. However, the lack of a robust public EV charging network, built early, means that low- and middle-income households may be locked out of EV ownership. For households that do not have home charging available, they would be unable to access the lower total cost of ownership of EVs unless and until a reliable public charging network exists.

¹ Calculations based on US DOE State Energy Data System (SEDS): 1960-2017 <https://www.eia.gov/state/seds/seds-data-complete.php?sid=NH>.

Therefore, CENH strongly supports the proposed \$600 rebate for 250 residential Level 2 EV chargers, and the plan to invest approximately \$2.36 million over five years to support the development of a public EV charging network through make-ready investments. The proposed investments include:

- Four (4) direct current fast charging public sites, with six plugs at each site;
- Twenty (20) third-party owned and operated Level 2 public charging sites with approximately ten third party owned and operated Level 2 plugs / ports at each site; and
- Up to twenty (20) third-party owned and operated Level 2 utility-pole-mounted chargers. for a total of 45 sites, in the Company's service area. New Hampshire currently lacks the necessary infrastructure to support the adoption of EVs and regional travel by EVs in the Granite State.

This proposal will improve consumer choice, help the state attract and retain the next generation workforce, and attract visitors to our state. Furthermore, we believe that these smart investments will provide a benefit to all Unitil ratepayers in the long-term. Approval of the settlement's critical EV elements are crucial to the advancement of New Hampshire's EV infrastructure.

Revenue Decoupling

CENH further supports approval of the decoupling mechanism included in the settlement. This decoupling proposal fulfills Unitil's commitment in the settlement for Docket No. DE 15-137 Energy Efficiency Resource Standard to seek approval of a decoupling mechanism, or another mechanism, as an alternative to the Lost Revenue Adjustment Mechanism (LRAM) during this rate case.² As noted, the purpose of the decoupling mechanism is to remove financial disincentives that may result from the successful investment in end-use energy efficiency. The traditional utility business model contains a

² NHPUC (2016). DE 15-137 Energy Efficiency Resource Standard, Settlement Agreement, https://www.puc.nh.gov/regulatory/docketbk/2015/15-137/letters-memos-tariffs/15-137_2016-04-27_staff_parties_settlement_agreement.pdf, (Last accessed March 10, 2022).

throughput incentive, whereby utilities earn more profits by selling more electricity.³ Investments in energy efficiency drive down energy use and, therefore, utility revenues. While energy efficiency may reduce customer costs and improve environmental outcomes, that efficiency does not reduce the short-term, fixed costs of providing distribution service.⁴ Decoupling allows recovery of these fixed costs and better aligns the utility business model with the interests of the ratepayers.

CENH also supports approval of the residential whole house time of use rate. In the ISO-New England territory a substantial portion of electric rates are determined during the peak hour of energy use for the year. This system peak influences energy supply, transmission, and distribution costs in the near terms and influences future costs. However, under current tariffs, most New Hampshire households pay the exact same rate for every kilowatt-hour they purchase throughout the day in their respective electric utility territory, meaning over one million residents have no incentive to modify their behavior in a manner that could massively ease the stress on the region's grid and local distribution system. The household TOU rate offers a simple solution that provides households with a price signal that encourages them to shift their flexible load to those times of day when electrical demand and system costs are lowest; a solution that provides benefits to all ratepayers.

CENH believes these elements, as well as the LED lighting and grid modernization, are vital to the evolution of New Hampshire's electric system into a more modern, resilient, and reliable electric grid. This evolution will enable the transition to a clean energy economy, supporting lower energy costs, improved public health outcomes, and greater environmental quality. This transformation will require alignment of the electric distribution utility business model with broader societal goals, enabling deep energy efficiency, widespread electric vehicle adoption, innovative rate design, distributed energy

³ RAP (2016). *Revenue Regulation and Decoupling: A Guide to Theory and Application*, Regulatory Assistance Project, <https://www.raponline.org/wp-content/uploads/2016/11/rap-revenue-regulation-decoupling-guide-second-printing-2016-november.pdf>, (Last accessed March 10, 2022).

⁴ Gilleo, A., Kushler, M., Molina, M., and York D. (2015). *Valuing Efficiency: A Review of Lost Revenue Adjustment Mechanisms*, Report U1503, American Council for an Energy-Efficient Economy, <https://www.aceee.org/sites/default/files/publications/researchreports/u1503.pdf>, (Last accessed March 10, 2022).

resource interconnection, and other advances in technology. We believe that the settlement in the Unitil rate case marks a major step in achieving those goals.

For all reasons, the Commission should approve the settlement.

Sincerely,

/s/ Chris Skoglund

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