

**Question from Commissioner Chattopadhyay:** Please provide supporting analysis for what Eversource's administrative costs would be both without the requirements of Order No. 26,577, and with the requirements in the order.

**Eversource answer:** Eversource conducted the following calculations to determine what level of effort it would take and the costs that would be incurred to administer the Clean Energy Fund.

Eversource initially assumed 500 hours per year at \$72 hour to equal \$36,000 per program in administrative costs. This equates to ~25% (500/2080) of an FTE per program. With five approved programs, that would equate to ~ 1 FTE (1.25 FTE). Given the size of the Clean Energy Fund and the structure of the proposed programs, the analysis did not anticipate administrative costs for a substantial amount of ongoing reporting or oversight processes.

With the increased reporting and auditing requirements and oversight processes including prudency reviews directed by the Order, Eversource estimates that across all five programs, if approved, the equivalent of 1 additional FTE (2080 hours/year or 416 hours per program) would be required.

Note that in either scenario (either with or without the Order's additional administrative requirements) Eversource will likely still leverage staff time from multiple existing employees to perform responsibilities for the Fund so that the Company wouldn't have to incur possible additional expenses from actually hiring an additional employee and keeping them on staff. The difference in calculations accounts for more hours that would necessarily be charged to the fund during portions of the year prior to significant reporting deadlines and generally more hours than anticipated due to the tracking required for such reporting. For example, the annual reporting requirements will necessitate significant time charged from program implementation staff, accounting, regulatory, legal and management, while monthly administration will require steady amounts of time from implementation staff and accounting. In total, the time and associated costs charged by all staff members involved over the course of the year is estimated in the hours and associated costs noted above. While Eversource would use existing employees to execute this work, the costs of this work would be charged to the fund so as to avoid administrative costs being borne by Eversource customers, which was not the intent of the 2015 Settlement Agreement that was for these programs to be entirely privately funded.

Excerpt from Order No. 26,577 at pages 7-8 that was referenced to make the above calculations:

#### New Docket for Administration of Clean Energy Fund

In conjunction with this order nisi, the Commission opens a new docket, DE 22-004, for purposes of facilitating the ongoing collaborative process for interested stakeholders to continue to develop the approved programs and to propose detailed programs for the remaining balance in the Clean Energy Fund. Commission oversight of the Clean Energy Fund and associated programs will be conducted in the new proceeding. Specifically, the Commission will review and assess program development and implementation on an annual basis for prudency of costs and allocation of funds and requests Energy's

assistance for this review. The first review shall occur in one year's time to assess the administrative costs of active programs, levels of interest from ratepayers, and whether funds and/or programs should be re-evaluated. We will require that any further filings for programs be presented to the Commission for review and approval in DE 22-004.

We direct Eversource to submit annual reports on the financial status of the fund and the supported programs to the Commission in the new docket. Annual reports shall be filed each year on May 1 beginning in 2022 and shall include details regarding participation levels in each program, on-bill financing and rebate payments, and detailed summaries of all costs and forecasted benefits over the projected life of each program. The required annual reports shall include:

A. A summary of actual and projected administrative costs over the life of the program, including sources of administrative costs, estimates of the number of employees and/or contractors required to administer the program, the estimated cost of such personnel, and whether program administration can be combined with existing processes and programs to create administrative efficiencies.

B. A discussion of any overlap with Renewable Energy Fund programs, NHSaves initiatives, or the Triennial Plan for Energy Efficiency Resource Standards (EERS), and consideration of the benefits and detriments to combining or managing programs together.

C. A discussion and assessment of whether third party management of the program may be cost effective.

D. Provision for annual audits of program income and expenditures.