



July 22, 2011

Kate Epsen
NH Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: RPS Review – Comments on Work Session 4

Dear Ms. Epsen,

On behalf of the New Hampshire Sustainable Energy Association (NHSEA), I want to thank you for this fourth opportunity to offer comments on the state's implementation of the Renewable Portfolio Standard (RPS), in the Commission's effort to review the program and share its findings in its required report to Legislature later this year. NHSEA is a member-based New Hampshire organization with over 370 members and a list of over 3,900 individuals and businesses interested in renewable energy and energy efficiency.

The purpose of New Hampshire's RPS law includes reducing regional dependence on fossil fuels, supporting the state's economy, and mitigating the deleterious effects of non-renewable fuel sources. NHSEA believes that achieving this purpose will require the use of multiple renewable technologies, and that the best of these technologies will ultimately dominate the marketplace due to choices by consumers.

The way funds are currently distributed from the Renewable Energy Fund do not necessarily support this. Rebate programs for some technologies, such as residential PV and wind, have quickly been depleted, resulting in long waiting lists and uncertainty for those working in that market. Other rebate programs have had trouble attracting participants.

NHSEA recommends that, where possible and feasible, rebates and other fund distribution programs be technology neutral, and that the rebates pay based on performance. By making rebates non-technology specific, available funds could be most widely distributed, encouraging more consumers to enter the renewable market by giving them more freedom to choose the technologies that are most cost-effective for them. By paying for projected performance, that is, the number of fossil fuel MWHs or BTUs replaced by the renewable system, we can ensure that more money goes to the technologies which hold the most promise for achieving the RPS purpose.

Obviously, administration of such a program would be more complicated. There are also situations, such as requirements on federal money contributed to the Renewable Energy Fund, where a technology neutral, pay for projected performance program would not be possible. And certainly the Renewable Energy Fund as a whole could be depleted under such a program. But it would prevent a situation that we see today, where funds for programs in certain in-demand technologies are gone while others remain unused. It would ensure that the best, most cost-effective technologies, come to the fore. Allowing the PUC more leeway in moving funds from under-performing programs to those that are in demand may be a good initial step in this direction.

Therefore, NHSEA strongly recommends that the distribution of Renewable Energy Funds be as non-technology specific as possible, and that funds be distributed in a way that pays for projected performance. We hope that you make such recommendations to the Governor and Legislature in your report later this year.

Thank you for your time, and we look forward to assisting you in any way we can in the RPS review process.

Sincerely,

Michael O'Meara
Interim Executive Director
New Hampshire Sustainable Energy Association