



Northeast Energy Efficiency Partnerships

New Hampshire Public Utilities Commission DE 15-137 Technical Session Funding

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About NEEP

Mission

Accelerate energy efficiency as an essential part of demand-side solutions that enable a sustainable regional energy system

Approach

Overcome markets and transform markets via Collaboration, Education and Enterprise

Vision

Region embraces next generation energy efficiency as a core strategy to meet energy needs in a carbon-constrained world

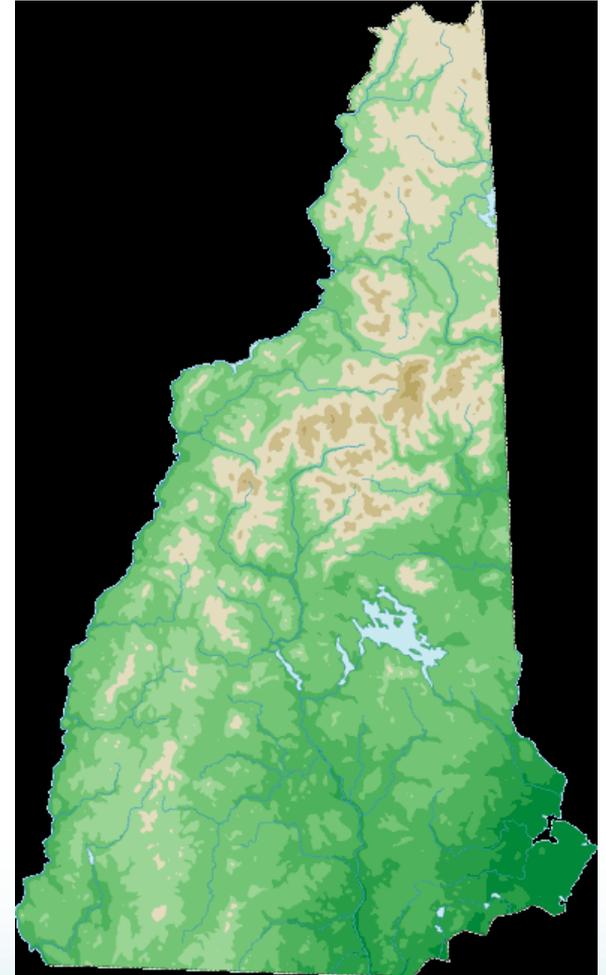


***Any discussion included herein consists of, and should be understood solely as, informed opinion rather than legal advice.**

One of six regional energy efficiency organizations (REEOs) funded by the US Department of Energy (US DOE) to link regions to US DOE guidance, products and programs

Presentation Outline

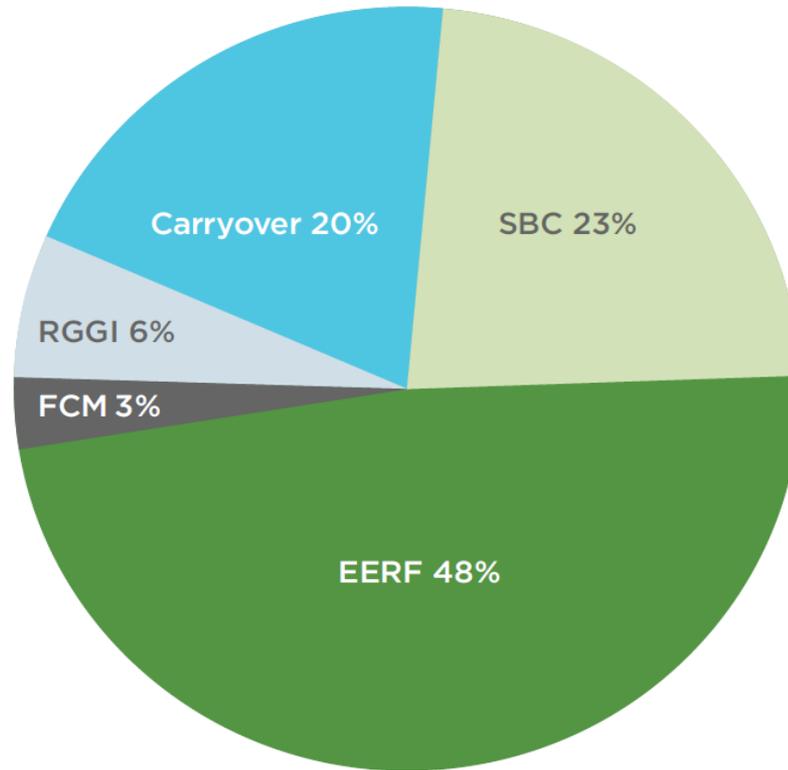
1. Supplementing FCM/RGGI/SBC
 - a. Massachusetts
 - b. Connecticut
2. Private Financing
3. Base Rate (IRP/Coop/Muni) Model



Massachusetts Funding Sources for Energy Efficiency



2013 FUNDING MIX:
ELECTRIC ENERGY EFFICIENCY
PROGRAM





Massachusetts and the Energy Efficiency Reconciliation Factor (EERF)

- If EE program costs surpass all other available funding sources, the EERF ensures that EE programs will still be funded to the extent that all available cost-effective energy energy efficiency is achieved.
- **“The EERF recovers and reconciles energy efficiency costs for a particular program year with the revenue an electric PA receives”**
(“Three Year Energy Efficiency Plan 2013–2015”, 91).

Connecticut and the Conservation Adjustment Mechanism (CAM)

- A CAM is used to ensure that there is sufficient funding for C&LM programs, beyond funding sources 1–4
- PURA would ensure **“a fully reconciling conservation adjustment mechanism of not more than three mills per kilowatt hour of electricity sold to each end use customer of an electric distribution company.”** Conn. Gen. Stat. § 16-245m(d).
- The revenues to fund natural gas company programs would be **“provided through a fully reconciling conservation adjustment mechanism for each gas company of not more than the equivalent of four and six-tenth cents per hundred cubic feet.”** Conn. Gen. Stat. § 16-245m(d).

Base Rate Funding

- Providing “Just and Reasonable Rates”
- Common in Municipal Electric Cooperative Model, as well as IRP Model
 - IRP Model Focuses on procurement of a resource
 - NH IRP Enabling Statute makes EE First Order Resource
 - Source: US EPA
- Prevalence of SBC v. Tariff Rider/Surcharge
 - 16 states use an SBC
 - 34 states provide direct cost recovery through a tariff rider or surcharge outside the SBC
 - 6 states provide direct cost recovery through a tariff rider or surcharge in addition to an SBC
 - Source: Edison Electric Institute (December 2014)
- Notable Examples:
 - EE Cost Rider (Arkansas)
 - EE Cost Rider (South Carolina)
 - EE Cost Tracker (NY)

NH Statute: Public Utilities

- “The commission shall review integrated least-cost resource plans in order to evaluate the consistency of each utility's plan with this subdivision, in an adjudicative proceeding. In deciding whether or not to approve the utility's plan, the commission shall consider potential environmental, economic, and health-related impacts of each proposed option... Where the commission determines the options have equivalent financial costs, equivalent reliability, and equivalent environmental, economic, and health-related impacts, the following order of energy policy priorities shall guide the commission's evaluation:
 - **I. Energy efficiency and other demand-side management resources;**
 - **II. Renewable energy sources;**
 - **III. All other energy sources.”**

<http://www.gencourt.state.nh.us/rsa/html/XXXIV/378/378-39.htm>

Private Financing

- Private financing presents potential to supplement & not supplant ratepayer-funded energy efficiency programming.
 - Successful Green Banks, PACE programs, and on-bill financing mechanisms are all built on base of existing EE programs.
 - NY, PA, and CT placements required extensive credit enhancements
 - Only facilitate program participation, do not provide incremental savings beyond incentives offered via EE programs



Thank you!

NEEP is a non-intervener, participating in this docket as an interested party. This information is provided by NEEP staff and does not reflect the opinions of our board, sponsors or funders.

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