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STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

October 14, 2009 - 1:45 p.m.
Concord, New Hampshire

RE: DE 09-170
CORE ENERGY EFFICIENCY PROGRAM:
Core Energy Efficiency Program for 2010.
(Prehearing conference)

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Clifton C. Below
Commissioner Amy L. Ignatius

Sandy Deno, Clerk

APPEARANCES: Reptg. Public Service Co. of New Hampshire:
Gerald M. Eaton, Esq.

Reptg. Unitil Energy Systems:
Susan S. Geiger, Esq. (Orr & Reno)
Rachel Goldwasser, Esq. (Orr & Reno)

Reptg. New Hampshire Electric Cooperative:
Mark W. Dean, Esq.

Reptg. Granite State Electric Company:
Sarah B. Knowlton, Esq. (McLane, Graf...)

Court Reporter: Steven E. Patnaude, LCR No. 52

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2 APPEARANCES: (C o n t i n u e d)

3 Reptg. the Jordan Institute:
4 D. Dickinson Henry, Jr.5 Reptg. Office of Energy & Planning:
6 Joanne Morin7 Reptg. The Way Home:
8 Alan Linder, Esq. (N.H. Legal Assistance)9 Reptg. Residential Ratepayers:
10 Meredith Hatfield, Esq., Consumer Advocate
11 Kenneth E. Traum, Asst. Consumer Advocate
12 Stephen Eckberg
13 Office of Consumer Advocate

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15 Reptg. PUC Staff:
16 Suzanne G. Amidon, Esq.
17 Thomas C. Frantz, Director - Electric Div.
18 Al-Azad Iqbal, Electric Division

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STATEMENT BY CMSR. IGNATIUS

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RESPONSE BY:

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Mr. Eaton

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STATEMENTS OF PRELIMINARY POSITION:

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Mr. Eaton

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Ms. Geiger

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Mr. Dean

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Ms. Knowlton

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Mr. Henry

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Ms. Morin

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Mr. Linder

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Ms. Hatfield

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Ms. Amidon

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1 P R O C E E D I N G

2 CHAIRMAN GETZ: Okay. Good afternoon,
3 everyone. We'll open the prehearing conference in docket
4 DE 09-170. On September 30, 2009, National Grid, the New
5 Hampshire Electric Cooperative, Public Service Company of
6 New Hampshire, and Unitil Energy Systems filed a joint
7 proposal for the CORE Energy Efficiency Programs to be
8 made available in 2010. An order of notice was issued on
9 October 1 setting the prehearing conference for this
10 afternoon.

11 I'll note for the record that the Notice
12 of Participation has been filed by the Office of Consumer
13 Advocate. And, so far, we have Petitions to Intervene
14 from the Office of Energy & Planning, the New Hampshire
15 Community Associations, the Home Builders and Remodelers
16 Association, the Jordan Institute, and The Way Home.

17 But let's take appearances. And, then,
18 also, while we're taking appearances, if we can get any
19 indication of whether there's any objections to any of the
20 Petitions to Intervene.

21 MR. EATON: Good afternoon. My name is
22 Gerald M. Eaton, representing Public Service Company of
23 New Hampshire. We have no objections to the
24 interventions.

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1 CHAIRMAN GETZ: Good afternoon.

2 MS. GEIGER: Good afternoon, Mr.
3 Chairman, Commissioner Below, Commissioner Ignatius. I'm
4 Susan Geiger, with the law firm of Orr & Reno. And, with
5 me this afternoon is my associate, Rachel Goldwasser, from
6 Orr & Reno; and Lisa Glover, from Unitil Energy Services.
7 And, Unitil does not have an objection to the Petitions
8 for intervention.

9 CHAIRMAN GETZ: Good afternoon.

10 MR. DEAN: Good afternoon,
11 Commissioners. I'm Mark Dean, on behalf of the New
12 Hampshire Electric Cooperative. And, the Co-op does not
13 have any objections to the interventions.

14 CHAIRMAN GETZ: Good afternoon.

15 MS. KNOWLTON: Good afternoon. Sarah
16 Knowlton, from the McLane law firm, here today for Granite
17 State Electric Company. And, with me from Granite State
18 is Angela Li. And, the Company does not have any
19 objections to any of the intervention motions.

20 CHAIRMAN GETZ: Okay. Good afternoon.

21 Other appearances? Mr. Henry.

22 MR. HENRY: Hi. I'm Dick Henry, from
23 the Jordan Institute. And, we have no objections to the
24 interventions.

1 CHAIRMAN GETZ: Good afternoon.

2 MS. MORIN: Joanne Morin, from the
3 Office of Energy & Planning. And, we also have no
4 objections to any of the interventions.

5 CHAIRMAN GETZ: Thank you.

6 MR. LINDER: Good afternoon. Alan
7 Linder, from New Hampshire Legal Assistance, representing
8 The Way Home. And, seated with me, from The Way Home, is
9 Dianne Pitts, the Director of Housing Services. And, we
10 have no objection to any of the Petitions for
11 Intervention. Thank you.

12 CHAIRMAN GETZ: Good afternoon.

13 MS. HATFIELD: Good afternoon,
14 Commissioners. Meredith Hatfield, for the Office of
15 Consumer Advocate, on behalf of residential ratepayers.
16 And, with me from the Office are Steve Eckberg and Ken
17 Traum. We not only have no objection to the
18 interventions, we are actually pleased to see all of these
19 people who are here to participate in this docket. Thank
20 you.

21 CHAIRMAN GETZ: Thank you.

22 MS. AMIDON: Thank you. Suzanne Amidon,
23 for Commission Staff. Good afternoon. With me today is
24 Tom Frantz, who is the Director of the Electric Division,

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1 and two analysts from the Division, Jim Cunningham and
2 Al-Azad Iqbal.

3 CHAIRMAN GETZ: Okay. Good afternoon.

4 MS. AMIDON: And, we have no objections
5 to the Motions to Intervene. Thank you, Mr. Chairman.

6 CHAIRMAN GETZ: Thank you. Is there
7 anyone here on behalf of the Home Builders and Remodelers
8 Association?

9 (No verbal response)

10 CHAIRMAN GETZ: Is there anyone else who
11 is seeking to intervene? Sir.

12 MR. ANEY: My name is Russ Aney. And,
13 I'm a ratepayer, but also a U.S. Energy Saver, LLC founder
14 and CEO. We're an energy services company based out of
15 New London, New Hampshire. As an energy service provider,
16 I would like to be -- and I believe I have interests
17 aligned with seeing the growth of the energy efficiency
18 marketplace, and I would appreciate an opportunity for a
19 late intervention filing, given that I did not do so on a
20 timely basis. Thank you.

21 CHAIRMAN GETZ: Okay. Thank you. Is
22 there any objection to that Petition to Intervene?

23 MR. EATON: No.

24 CHAIRMAN GETZ: Okay. Hearing no

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1 objection, and recognizing that the various written and
2 oral petitions for intervention have demonstrated rights,
3 duties, privileges, or interests affected by this
4 proceeding, we'll grant all of the Petitions to Intervene.

5 Are there any procedural issues before
6 we provide an opportunity for statements of positions?

7 (No verbal response)

8 CHAIRMAN GETZ: Commissioner Ignatius.

9 CMSR. IGNATIUS: Thank you, Mr.
10 Chairman. I do have a procedural matter I would like to
11 address before we begin. And, that is whether it's
12 appropriate for me to participate in this case, given the
13 intervention of the Office of Energy & Planning. I think,
14 as parties know, I previously served as the Director of
15 OEP, and worked with people on some matters that involved
16 Public Utilities Commission dockets, and occasionally
17 consulting with one of the -- one of the members of the
18 OEP staff on positions and on submissions that he made to
19 the Commission.

20 But, notwithstanding that, I don't find
21 any conflict in or any cause for me to be disqualified
22 from participating in this docket. And, in order to be
23 certain there's no appearance of a conflict or any concern
24 on anyone's part, I wanted to lay out on the record how I

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1 reach that conclusion, and give people an opportunity to
2 address that, if they find concerns.

3 When I was nominated June 2nd of this
4 year to serve on the Commission, I informed members of the
5 OEP staff that I needed to insulate myself from matters
6 that could come before we at the Commission, if I were to
7 be confirmed. And, from that date forward, I did not
8 participate in or be briefed on any matters that were at
9 issue in open dockets at the Commission. I joined the
10 Commission July 31st of this year. This docket was opened
11 later, on September 30th of this year, by a joint filing
12 made by the utilities and Staff. I've had no involvement
13 in the development of any of the positions in that filing.
14 And, I certainly have not prejudged the outcome of this
15 docket. And, thus, I find no basis to disqualify myself.

16 But, if any party is concerned about my
17 participation, given my prior involvement at OEP, which is
18 an intervenor in this case, we have an opportunity today
19 to consider that before we proceed further in the case.
20 So, I wanted, before we begin, to put that on the record
21 and allow anyone who has any concern to express it. Thank
22 you.

23 CHAIRMAN GETZ: Thank you. Any
24 statements, positions with respect to Commissioner

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1 Ignatius's statement?

2 MR. EATON: These proceedings have been,
3 I would say, more in the area of legislative or
4 collaborative. I don't remember the Office of Energy &
5 Planning taking any contested issues up. And, we have, in
6 most cases, come to an agreement as to what the Commission
7 would approve of. And, therefore, I see no way where your
8 impartiality could be questioned in this proceeding. It's
9 not like we've banged heads, and you were the fist on this
10 side. It's just not been that way. So, I can't see why
11 there would be any way to question your impartiality in
12 this case.

13 CHAIRMAN GETZ: Okay. Any other
14 responses? Concerns?

15 (No verbal response)

16 CHAIRMAN GETZ: Okay. Hearing nothing,
17 then, we'll allow opportunity for statements of positions.
18 Start with you, Mr. Eaton.

19 MR. EATON: Yes, Mr. Chairman. This is
20 our annual filing of the CORE Energy Efficiency Programs
21 to be offered in the year 2010. There has been a
22 procedural schedule that the parties have worked on, and
23 we will be submitting that to the Commission, assuming
24 that all parties can agree to it. In my cover letter, I

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1 ask that the Commission consider giving permission for the
2 2009 programs to be continued in 2010, because we have a
3 hearing scheduled for December 22nd in this case, and that
4 may be part of the Commission's procedural order in this
5 case.

6 The programs being offered here are
7 primarily funded by the Systems Benefits Charge, with some
8 money that comes from Forward Capacity payments in the
9 transition payments under the Forward Capacity Program.
10 And, it is not covering programs that have been approved
11 by the Office of Sustainability that's funded by the
12 Regional Greenhouse Gas Initiative. We think it's a
13 proper -- a proper area of inquiry for parties to say "How
14 are you going to keep the dollars separated? How are you
15 going to account for services provided under the CORE
16 Programs versus the RGGI funded programs?" And, that's a
17 proper form of inquiry. But the programs that have been
18 approved by the Office of Sustainability will go forward,
19 and we'd like this case to focus mostly on the programs
20 that were offered and proposed in the September 30th
21 filing.

22 CHAIRMAN GETZ: Thank you. Ms. Geiger.

23 MS. GEIGER: Yes. Thank you, Mr.

24 Chairman. Until would concur with the statements made by

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1 Mr. Eaton in support of the filing that's been made on the
2 CORE Energy Efficiency Programs, and would respectfully
3 ask that the Commission approve them, in addition to the
4 specific program that Unitil has filed for approval on
5 separately from the CORE Programs.

6 The Company looks forward to working
7 with the other parties to the docket and Commission Staff
8 in the tech sessions in the coming weeks ahead, to
9 hopefully bring this matter before the Commission in
10 December, as Mr. Eaton has indicated. And, we look
11 forward to working with the group on that.

12 CHAIRMAN GETZ: Thank you. Mr. Dean.

13 MR. DEAN: The Cooperative, as a joint
14 applicant, obviously supports the filing. And, I don't
15 really have anything to add to Mr. Eaton's summary. I
16 hope that this docket proves to be another collaborative
17 or legislative process, as Attorney Eaton described the
18 past CORE filings.

19 CHAIRMAN GETZ: Thank you.

20 Ms. Knowlton.

21 MS. KNOWLTON: Thank you. National Grid
22 is pleased to be here jointly proposing the CORE Programs
23 for 2010, along with the other electric utilities. And,
24 as the Company has done in prior dockets, is looking

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1 forward to working with all of the parties on these
2 proposed programs, and would hope that we could reach
3 consensus on what those programs should be and submit that
4 consensus to the Commission for its consideration at the
5 December 22nd hearing.

6 I would also note that the Company is
7 continuing to work with the Commission Staff on its audit
8 of its existing programs. And, we look forward to
9 continuing to provide the Staff with the information that
10 they need so that they can complete their audit. Thank
11 you.

12 CHAIRMAN GETZ: Thank you. Mr. Aney?

13 MR. ANEY: I'll pass.

14 CHAIRMAN GETZ: Mr. Henry.

15 MR. HENRY: Commissioners, thank you
16 very much for this opportunity to comment. The Jordan
17 Institute is happy to participate on this, and stresses
18 the need for collaborative efforts made in pulling this
19 docket together. We're particularly concerned about
20 several areas. One is fairness in the low income
21 proposals, which we've expressed a considerable concern on
22 in earlier meetings. We are also interested in being sure
23 that these programs take maximum advantage of leveraging
24 the various additional funds that have become available

1 through ARRA and RGGI and RPS.

2 We also think it's important that there
3 be a continuity of programs. Many of the programs we've
4 proposed in this year are pilot programs, and it's
5 important that there not be a stopping and starting of
6 these programs, that there needs to be continuity over the
7 next several years.

8 We have some concerns about the Fuel
9 Blind implementation, and we're still very interested in
10 the on-bill financing of energy efficiency, but I will
11 admit that we have not done as much with that as I had
12 hoped we would be able to in the past year. I appreciate
13 the Commission's willingness to continue to let us pursue
14 those issues. Thank you.

15 CHAIRMAN GETZ: Thank you. Ms. Morin.

16 MS. MORIN: Thank you, Commissioner. I
17 would like to just thank you for -- we're pleased to
18 participate in this docket again and work with the
19 utilities and Staff on these important programs. There's
20 three areas I'd particularly like to highlight that we
21 have some concerns on and briefly comment on today that
22 we're hoping to work with the intervening parties on.
23 And, that is, first of all, relative to the existing Fuel
24 Blind Program, we are also concerned that we hope to see

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1 some type of continuation of this program, even if it's in
2 a pilot form. We're concerned with presenting, you know,
3 consistency to consumers, and we don't want to create
4 confusion if that program is going to be at all stopped
5 for some period of time. So, that's one area of interest
6 of ours.

7 A second area is also we understand
8 there may be ways at relooking at how to develop the
9 application to low income programs, making perhaps a
10 formula-based approach, and we certainly would be
11 interested in talking about what that formula might be and
12 the aspects of what would go into that formula. That
13 would be an area we would be greatly interested in.

14 And, finally, we would like to have
15 discussions about what monitoring and evaluation would be
16 conducted going forward. Thank you.

17 CHAIRMAN GETZ: Thank you. Mr. Linder.

18 MR. LINDER: Yes. Mr. Chairman and
19 Commissioners, we -- The Way Home has reviewed the filing.
20 And, although we haven't come to a full conclusion on all
21 of the issues, we are supportive of the proposed CORE
22 Programs and supportive of those budgets for the Program.
23 I notice that the order of notice in this docket
24 referenced one possible issue as to the Home Energy

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1 Assistance Budget allocations, and whether those are
2 appropriate, and the Home Energy Assistance is the low
3 income program.

4 The Way Home is supportive of the
5 proposed budget for 2010 for the low income program, and
6 is also supportive of the estimated participation level of
7 the number of low income folks who can be helped through
8 that program. There is a significant need for services
9 for the low income community, and we do support the budget
10 proposed by the utilities.

11 Earlier, there was mention made in one
12 of the statements with respect to Forward Capacity funds
13 that have been coming into the CORE Program. And, we have
14 one concern, if you will, with respect to that. We became
15 aware recently of the opening of a new docket, in DE
16 09-158, which is a Public Service request for approval on
17 its proposed -- on a proposed Demand Response Program. We
18 have not intervened in it, but there is one issue or one
19 item in the order of notice in that case that raises a
20 potential concern, and may have a potential impact on this
21 case, and that's docket DE 09-158. Page 2 of the order of
22 notice said that "the program would be funded with forward
23 Capacity Market revenues paid to the Company in exchange
24 for the capacity reductions resulting from the CORE

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1 Programs." The next sentence says "In the event of a
2 shortfall, the Company proposes to fund the deficit
3 through the System Benefits Charge." I'm bringing that up
4 now because that could potentially have an impact on the
5 funds available for the proposed energy efficiency
6 programs in this case. And, I would suggest that the
7 Commission may want to consider taking administrative
8 notice of the 09-158 docket. There was a request that it
9 be expedited, so it may be running in parallel with this
10 docket. And, because of the potential impact, the
11 Commission may want to consider taking administrative
12 notice of that.

13 And, lastly, we agree with the
14 suggestion that, in the event that the Commission is not
15 able to issue a final order in this case prior to
16 January 1st of 2010, that the program -- that this program
17 be allowed to go forward so that there's no disruption in
18 delivering services to all potential recipients of the
19 programs. Thank you.

20 CHAIRMAN GETZ: Thank you. Ms.
21 Hatfield.

22 MS. HATFIELD: Thank you, Mr. Chairman.
23 The OCA is still in the process of reviewing the Company's
24 filings. But, to try to follow the quick schedule that

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1 we'll have in this docket, we have already issued one
2 round of data requests. We share several of the same
3 concerns that have already been raised, so I'll try to be
4 brief. One is the Fuel Blind Pilot and whether or not
5 it's important to at least continue that through this
6 heating season, in order to get enough results from the
7 pilot in order to do a good evaluation of the program.

8 We are deeply concerned about what we
9 understand is possibly a proposal to reduce funding for
10 the very successful Low Income Energy Efficiency Program,
11 and so we'll be watching that very closely. We agree with
12 several prior statements that the significant need for
13 that program has been well documented, and we do not
14 support a reduction in funding for low income energy
15 efficiency. We think, in fact, we should be moving in the
16 opposite direction.

17 We also share Mr. Linder's concerns,
18 that there is another docket that he referenced related to
19 PSNH's proposal for their PeakSmartPlus Program. We're
20 very concerned about the funding proposal in that docket,
21 because, as he said, it would, at a minimum, utilize the
22 Forward Capacity Market funds that have been going to the
23 CORE Programs, or, as he also referenced, could cause some
24 of the System Benefits Charge funds to go into that

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1 program. And, we are concerned that the two dockets are
2 separate, but that they could have an impact on each
3 other.

4 And, we also share the concern that OEP
5 raised about monitoring and evaluation. We find ourselves
6 in October of 2009, and I do not believe that at this
7 time, in this year, there is an approved M&E Program
8 planned for this year, despite the fact that M&E is
9 critical to these programs and to the participation of the
10 Forward Capacity Market, and the fact that 5 percent of
11 the budget is set aside for monitoring and evaluation.
12 So, we've actually asked data requests to utilities asking
13 for an update on the status of their pending requests,
14 which I believe is before the Commission, as to the plan
15 for 2009, as well as the M&E plan for 2010.

16 And, we will work with the parties and
17 with Staff to do everything we can to finish this docket
18 by the end of December. And, I also did want to add that
19 we have had prior conversations with both the electric and
20 gas utilities that I believe you're aware of, where the
21 parties have discussed the possibility of having a truly
22 joint statewide proposal among the gas and electric
23 utilities in 2010, for programs starting in 2011. And,
24 it's my hope that, while this docket probably needs to

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1 focus on this filing that is before us, that we can also
2 be thinking proactively about starting earlier in the year
3 next year and really taking a fresh look at the programs
4 that the utilities offer, the delivery systems that we
5 use, and really taking a top-to-bottom look at what could
6 we be doing differently, what could we be doing better,
7 and how could we leverage all of the other funds that are
8 available to try to really achieve the very high
9 efficiency goals that we've set for ourselves in the
10 state. Thank you.

11 CHAIRMAN GETZ: Thank you. Ms. Amidon.

12 MS. AMIDON: Thank you. Staff has only
13 begun its review of the filing, but we have a few
14 observations for the record at this point. First,
15 regarding the Fuel Blind proposal, the Electric Division
16 staff is concerned that the Fuel Blind Pilot Project,
17 which was approved by the Commission in June, is being
18 offered as a CORE Program, although it's only being
19 offered in the pilot by two companies, Unitil and PSNH.
20 In addition, although PSNH and Unitil represented in the
21 last proceeding, the 2009 CORE proceeding, that there were
22 no more electric heat customers who were interested in
23 participating in the traditional Home Energy Solutions
24 Program, which was targeted at electric heat customers.

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1 The filing shows that about 900 electric heat customers
2 participated in the 2009 Home Energy Solutions Program.

3 Finally, enrollment in the Pilot Program
4 appears to be lower than what was permitted by the
5 Commission, which was 200 customers for PSNH and 100 for
6 Unitil, bringing the successful evaluation of the Pilot
7 Program into question. These issues will be further
8 explored in discovery.

9 Second, although the Division is aware
10 that the low income issue is highly controversial, the
11 Division notes that there's no methodology at present to
12 support the Home Energy Assistance budget. And, I have
13 heard that -- I understand, although I'm not a
14 mathematician, that it's roughly 14 percent of the budget
15 as proposed for the 2010 programs. After reviewing the
16 process to establish an HEA budget number, the Division
17 produced a formula approach to setting Home Energy
18 Assistance in the future, and intends to submit that as an
19 alternative for the Commission to consider in determining
20 how to set the Home Energy Assistance budget.

21 Finally, well, no, it's not "finally",
22 we plan to complete the audit hopefully in the next
23 several weeks, once we received all the responses. And,
24 we appreciate National Grid's willingness to give priority

1 to that.

2 We also share the concerns that Mr.
3 Linder and the Office of Consumer Advocate made about the
4 PeakSmart Start, and whether it's appropriate for CORE
5 monies or monies that would otherwise go to the CORE
6 Programs to be used to support that program. But we
7 understand the Commission will be dealing with that in
8 another docket.

9 And, finally, the Staff did note that
10 the filing really took advantage of the results of the GDS
11 Energy Efficiency Potential Study, which was a major
12 monitoring and evaluation activity that was done in 2009
13 -- 2008 and through early, the first quarter, I think, of
14 2009. That's reflected in this filing. And, we're very
15 happy that the utilities took advantage of that study to
16 explore potentials for energy efficiency.

17 And, in closing, I would say that I
18 would also agree with the requests that the Commission
19 continue the authority of the utilities to operate the
20 2009 CORE Programs, if an order in this docket is not
21 entered by December 31st, 2009. Thank you.

22 CHAIRMAN GETZ: Okay. Thank you. Okay.
23 Is there anything further this afternoon?

24 (No verbal response)

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1 CHAIRMAN GETZ: All right. Then,
2 hearing nothing, we'll close the prehearing conference and
3 await further recommendations about scheduling and other
4 matters from the parties. Thank you, everyone.

5 (Whereupon the prehearing conference
6 ended at 2:12 p.m., and the Parties and
7 Staff convened a technical session
8 thereafter.)

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