ORIGINAL
N.H.P.U.C. Case No. DE 10-188
Exhibit No. #58
Witness Panel 6

A Proposal on how to Transition the RGGI Program from its Current State to the New Law that Begins January 1. 2013.

Submitted by: The Jordan Institute and other Interveners and Parties of Interest.

August 10, 2012

In response to the Core Technical Session, Docket DE-10-188, of August 1, 2012, and the subsequent docket letter from the Commission on August 6, and 9, 2012, the intervening parties and parties of interest listed below are pleased to offer the following comments regarding the use of current and potential remaining funds in the Regional Greenhouse Gas Initiative account. We appreciate this opportunity to make such a proposal.

We first recommend that the Commission clearly define what "spending" these auction proceeds means. Efficient use of these funds may be slightly counter to expeditious use of the funds. However efficient use – which may take an extra six months or a year – will provide far more impact than allocating funds to projects which are not as comprehensive or robust, but can be completed in three months. We recommend that the funds be dedicated to four existing programs with significant qualified projects already in waiting lists which achieve the goals established by the Greenhouse Gas Emissions Reduction program and that these program administrators continue their programs as effectively and expeditiously as possible. The start-stop nature of program funding cycles reduces the efficiency of administering programs. Funds anticipated from the upcoming auctions can be seamlessly integrated into these existing programs.

a. The use of RGGI funds until December 31st is lawfully guided by current law and the Green House Gas Reduction Fund Administrative Rules that are in place. It would be inappropriate for those to be abandoned prematurely. Thus any RGGI dollars raised before December 31, 2012 should be spent in accordance with what the law and rules provide for up until January 1st 2013. To do otherwise would be to apply a retroactive treatment to these funds.

b. This short period of time and limited dollars should be allocated as part of a bridging process by the PUC. Too abrupt a change would be disruptive. Thus the balance offered by this proposal to add some additional funds to CORE will ensure the utilities are not rushing to spend dollars outside of their planning process, while allocating funds to successful RGGI and ARRA programs offers a proper ramp down, which if managed well might ensure some market transformation as part of this bridging process.

c. We propose that the current $2.3 million dollars and the results from the September auction, estimated at $2M, minus 15% for low income be made available to the four programs listed below which could then allocate the funds by Dec. 31, 2012. The December auction proceeds would then go to the Utilities and they could spend them or carry them forward to 2013. This would allow the utilities to have approximately $1.7 million dollars ($2 M – 15% = $1.7 M) for 2013 to start their new RGGI funded CORE programs and give them time to plan for the Jan.1, 2013 start date.

With recent and deep funding cuts to programs supporting low-income residents, we recommend that 15% of these auction proceeds be allocated to existing programs for low-income residents. The Community Action Agencies, programs administered by the New Hampshire Community Loan Fund, The Way Home, and the Greener Homes Program are positioned to make good use of these funds, help our most vulnerable residents, and to some degree reduce the need for additional energy assistance.

We feel strongly that the remaining funds be dedicated to existing energy efficiency programs which have the greatest energy, cost, and greenhouse-gas reductions impact. We see two existing revolving loan programs – the Building Finance Authority's Business Energy Conservation Program; and the BetterBuildings Program, administered by the Community Development Finance Authority – as appropriate programs with significant project backlogs that can put these funds to use quickly and effectively. As revolving loans that target the commercial and industrial sectors we believe that total funds for the entire $6.3 million should be allocated, as the utilities suggest, in a 70% - 30% ratio C&I/Residential. By investing these funds into revolving loan programs, the funds will become available again, as principle and interest is paid back into the system, by the beneficiaries. The original intent of these programs was that they would continue on, especially when additional funds became available.

Other existing programs, such as Pay for Performance, and Greener Homes. each launched with RGGI funds, have helped move the energy-efficiency market and also have viable and worthy projects in queue which leverage additional dollars effectively. The Greener Homes program may also be able to use some of the low-income 15% draw of the total amount.

Given the short timeframe and the urgency of committing these monies and the fact that they are additive to existing programs we do not feel that either a performance incentive or administrative costs should be charged to these remaining funds.

A Proposed Allocation of Current and Future Auction Funds for September and December follows:

Total Estimated available RGGI funds from current and future auctions		$6,300,000
Low Income allocation 15%		945,000
Funds Available for RGGI and ARRA Programs		3,655,000
Greener Homes	$ 655,000	

this program might also receive some of the funding under the Low-Income allocation.

Better Buildings	$ 2,000,000	
Pay for Performance	$ 500,000	
Business Finance Authority	$ 500,000	
Utility Funding after 15% deduction for Low Income		$1,700,000

Actual figure would be proceeds of December Auction minus 15%

We believe this approach allows for a proper and methodical transfer of the RGGI program funding from 2012 to the 2013 program and has the highest benefit potential.

Thank you for this opportunity to file a proposal on the disposition of the remaining 2012 RGGI funds.

D. Dickinson Henry, Jr.
Executive Director
The Jordan Institute

James Monahan
The Dupont Group LTD
On behalf Retail Merchants Assocation
114 North Main Street
Suite 401
Concord, NH 03301

Benjamin D. Frost, Esq., AICP
Director, Public Affairs
New Hampshire Housing

Jodie Lucci
Director, Finance & Administration
LighTec, Inc.
35 Depot St.
Merrimack, NH 03054

Richard A. Minard, Jr.
Vice President for Policy and Programs
NH Community Loan Fund
7 Wall Street, Concord NH 03301

Christophe G. Courchesne
Staff Attorney
Conservation Law Foundation
27 North Main Street
Concord, NH 03301-4930

Roger W. Stephenson, APR
Vice President for Programs
Clean Air-Cool Planet
100 Market Street * Suite 201
Portsmouth, NH 03801