

Budgeting, Tracking and Reporting Requirements for SBC and RGGI

CORE Electric Utilities

Docket DE 12-262

December 14, 2012

GOALS



- Overall goal: Budget, track and report funding and results for the System Benefits Charge (includes net FCM and interest) and RGGI funds.
- Detailed Requirements:
 - Per HB 1490, “All remaining proceeds received by the state from the sale of allowances shall be allocated by the commission as an additional source of funding to electric distribution companies for core energy efficiency programs that are funded by SBC funds.”
 - For each utility and each program and each funding source, need to be able to identify:
 - Budgeted amount
 - Actual expenditures
 - Program participation
 - Program savings (e. g. kWhs, MMBTUs as appropriate)
 - Consolidated/rollup reporting requirements for all utilities (combined) showing expenditures, participation and savings results for:
 - RGGI
 - SBC (includes net Forward Capacity Market and Interest)
 - School Results By Funding Source

The Process – Electric Utility Level



Utility determines overall budget based on estimates of available SBC and RGGI funding. The SBC Percent is simply the SBC funds as a percent of total funds; the RGGI Percent is determined similarly.

Utility allocates funds to low-income, residential, and commercial/industrial sectors based on negotiated agreements (e.g. low-income and FCM percentages) and the sector's contribution to the SBC.

The sector budgets are used to fund individual programs based on anticipated customer demand for program products and services.

Goals for savings and participation are based on historical trends along with changes in measure costs, measure life, measure mix, and energy codes as well as other factors which may impact projects.

For each program, the SBC Budget as well as the SBC Savings and SBC Participation goals are determined by multiplying the total program budget and goals by the SBC Percent. The corresponding RGGI figures would be determined in the same fashion.

For each program, the actual SBC Expenditures as well as the SBC Savings and SBC Participation goals are determined by multiplying the corresponding actual results by the SBC Percent. The RGGI figures would be determined in the same fashion.

The Process – Statewide Reporting Requirements for Legislative Oversight Committee



Statewide Overall Results: expenditures, savings, participation – are simply a sum of the individual utility Overall Results

Statewide SBC Results: expenditures, savings, participation – are simply a sum of the individual SBC Results.

Statewide RGGI Results: expenditures, savings, participation – are simply a sum of the individual utility RGGI Results.

In a similar fashion the legislative report on Energy Efficiency Investments in Public Schools can be created based on overall funding or by specific funding source - - SBC or RGGI.

For each program, the SBC Budget as well as the SBC Savings and SBC Participation goals are determined by multiplying the total program budget and goals by the SBC Percent. The corresponding RGGI figures would be determined in the same fashion.

2013 SBC & RGGI Percentages



- Budgeted SBC and RGGI percentages (\$ in Millions):

Utility	Total Budget	Revolving Loan Fund (RGGI)	Total Budget (Net of RLF)	SBC Budget	RGGI Budget	SBC Percent	RGGI Percent
LU-Electric	\$2.264	\$0.000	\$2.264	\$1.753	\$0.511	77.41%	22.59%
NHEC	\$2.053	\$0.100	\$1.953	\$1.636	\$0.317	83.76%	16.24%
PSNH	\$20.131	\$0.000	\$20.131	\$15.749	\$4.382	78.23%	21.77%
Unitil	\$2.968	\$0.115	\$2.853	\$2.278	\$0.575	79.85%	20.15%
Total	\$27.416	\$0.215	\$27.201	\$21.416	\$5.785	78.73%	21.27%

- RGGI Budget presented above for NHEC (\$100k) and Unitil (\$115k) is net of their revolving loan funding from RGGI.
- A similar table will be created at year-end based on actual SBC and RGGI revenues. These percentages will then be used to determine the actual results affected by each revenue source.

Example Calculation



In 2013 LU Electric plans to complete 41 Energy Star Homes, saving 510,094 kWhs, at a cost of \$68,591. What portion of these totals is attributable to RGGI?

Referring to the table on page 5, RGGI accounts for 23% of LU Electric's plans (more accurately it's 22.59%), therefore,

$$\begin{aligned}\text{Number of homes} &= 41 \times .2259 \\ &= \underline{9}\end{aligned}$$

$$\begin{aligned}\text{Savings} &= 510,094 \times .2259 \\ &= \underline{115,230} \text{ kWhs}\end{aligned}$$

$$\begin{aligned}\text{Budget} &= \$68,591 \times .2259 \\ &= \underline{\$15,495}\end{aligned}$$

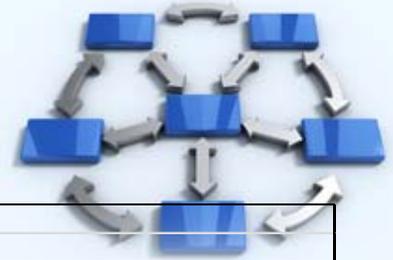
Plans for other Companies as well as for determining the planned results from SBC funds are calculated in a similar fashion.

Application To 2013 Filing



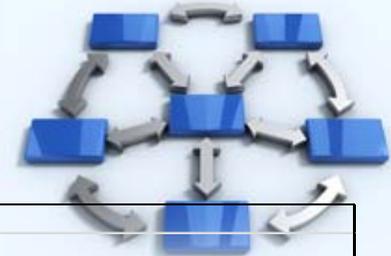
- The following three slides depict the plans for each utility and each program – the overall budget, participation, and savings.
- Slide 8 depicts the overall planned results. This is exactly the same as Appendix H, page 2 of the 2013 filing.
- Slides 9 and 10 present the plans based on SBC and RGGI funding respectively. The values were calculated in the same manner as shown on slide 9

Total Budget



New Hampshire CORE Energy Efficiency Goals - 2013										
TOTAL BUDGET										
PROGRAMS	LU Electric		NHEC		PSNH		UNITIL		TOTALS	
ENERGY STAR Homes										
Number of Homes / Lifetime kWh Savings	41	510,094	43	796,573	312	10,586,608	47	10,639,499	443	22,532,774
B/C Ratio / Planned Budget	4.88	\$68,591	6.97	\$161,699	6.59	\$892,277	9.11	\$190,000		\$1,312,567
ENERGY STAR Lighting										
Number of Units / Lifetime kWh Savings	7,241	2,669,519	28,405	3,699,053	236,036	21,754,639	29,200	3,375,679	300,882	31,498,890
B/C Ratio / Planned Budget	1.32	\$102,039	1.26	\$125,766	1.26	\$882,276	1.01	\$170,000		\$1,280,081
ENERGY STAR Appliances										
Number of Rebates / Lifetime kWh Savings	759	1,227,443	2,181	4,926,681	16,741	30,263,409	2,117	3,703,976	21,797	40,121,509
B/C Ratio / Planned Budget	1.66	\$234,292	2.36	\$278,482	2.40	\$1,997,726	2.21	\$280,000		\$2,790,500
Home Performance w/ENERGY STAR										
Number of Rebates / Lifetime kWh Savings	108	182,554	88	470,060	1,050	4,576,774	47	480,570	1,292	5,709,958
B/C Ratio / Planned Budget	1.89	\$165,718	1.07	\$224,583	2.20	\$1,899,497	2.77	\$211,011		\$2,500,808
Home Energy Assistance										
Number of Units / Lifetime kWh Savings	55	753,061	57	956,047	657	9,036,019	49	953,318	818	11,698,444
B/C Ratio / Planned Budget	1.21	\$310,949	1.32	\$286,227	1.63	\$2,763,383	1.62	\$409,344		\$3,769,904
Large Business Energy Solutions										
Number of Participants / Lifetime kWh Savings	40	23,689,232	11	9,489,929	349	205,517,772	46	36,361,285	446	275,058,218
B/C Ratio / Planned Budget	1.84	\$665,211	2.25	\$155,906	2.26	\$5,052,887	1.30	\$815,774		\$6,689,778
Small Business Energy Solutions										
Number of Participants / Lifetime kWh Savings	183	13,946,883	79	17,090,915	1,610	107,385,322	73	11,230,025	1,945	149,653,145
B/C Ratio / Planned Budget	1.67	\$507,874	2.25	\$420,952	1.86	\$3,518,495	2.12	\$477,323		\$4,924,644
Educational Programs										
B/C Ratio / Planned Budget		\$18,322		\$34,300		\$191,634		\$23,566		267,822
										\$0
Company Specific Programs / ISO-NE FCM Work										
Number of Participants / Lifetime kWh Savings			14	12,207,474	25,081	66,756,827			25,095	78,964,301
B/C Ratio / Planned Budget		\$25,000		\$107,800		\$1,424,381		\$38,500		\$1,595,681
Smart Start (NHEC/PSNH), RGGI RLF (NHEC/UES)										
Number of Participants / Planned Budget				\$112,473		\$35,000		\$115,000		\$262,473
Utility Performance Incentive										
B/C Ratio / Planned Budget		\$165,840		\$144,655		\$1,473,804		\$237,346		\$2,021,644
TOTAL PLANNED BUDGET		\$2,263,836		\$2,052,843		\$20,131,360		\$2,967,864		\$27,415,903

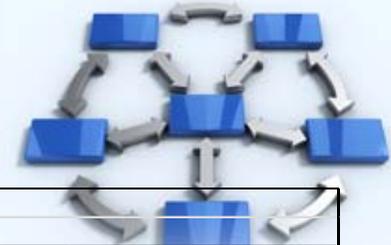
SBC Budget*



New Hampshire CORE Energy Efficiency Goals - 2013										
SBC BUDGET										
PROGRAMS	LU Electric		NHEC		PSNH		UNITIL		TOTALS	
ENERGY STAR Homes										
Number of Homes / Lifetime kWh Savings	32	394,884	36	667,203	244	8,282,168	38	8,496,129	349	17,840,385
B/C Ratio / Planned Budget	4.88	\$53,099	6.97	\$135,438	6.59	\$698,051	9.11	\$151,724		\$1,038,311
ENERGY STAR Lighting										
Number of Units / Lifetime kWh Savings	5,606	2,066,580	23,792	3,098,298	184,657	17,019,199	23,318	2,695,635	237,372	24,879,712
B/C Ratio / Planned Budget	1.32	\$78,993	1.26	\$105,341	1.26	\$690,227	1.01	\$135,753		\$1,010,313
ENERGY STAR Appliances										
Number of Rebates / Lifetime kWh Savings	587	950,212	1,827	4,126,549	13,097	23,675,822	1,691	2,957,795	17,201	31,710,379
B/C Ratio / Planned Budget	1.66	\$181,374	2.36	\$233,254	2.40	\$1,562,871	2.21	\$223,593		\$2,201,093
Home Performance w/ENERGY STAR										
Number of Rebates / Lifetime kWh Savings	83	141,322	74	393,719	821	3,580,525	38	383,757	1,016	4,499,323
B/C Ratio / Planned Budget	1.89	\$128,289	1.07	\$188,109	2.20	\$1,486,024	2.77	\$168,502		\$1,970,923
Home Energy Assistance										
Number of Units / Lifetime kWh Savings	42	582,974	48	800,777	514	7,069,104	39	761,268	643	9,214,123
B/C Ratio / Planned Budget	1.21	\$240,718	1.32	\$239,741	1.63	\$2,161,864	1.62	\$326,880		\$2,969,204
Large Business Energy Solutions										
Number of Participants / Lifetime kWh Savings	31	18,338,771	9	7,948,690	273	160,781,699	37	29,036,157	350	216,105,318
B/C Ratio / Planned Budget	1.84	\$514,966	2.25	\$130,586	2.26	\$3,953,000	1.30	\$651,433		\$5,249,985
Small Business Energy Solutions										
Number of Participants / Lifetime kWh Savings	142	10,796,834	66	14,315,217	1,260	84,010,226	58	8,967,691	1,526	118,089,968
B/C Ratio / Planned Budget	1.67	\$393,165	2.25	\$352,586	1.86	\$2,752,607	2.12	\$381,165		\$3,879,523
Educational Programs										
B/C Ratio / Planned Budget		\$14,184		\$28,729		\$149,920		\$18,819		\$211,652
Company Specific Programs / ISO-NE FCM Work										
Number of Participants / Lifetime kWh Savings			12	10,224,885	19,622	52,225,537			19,633	62,450,422
B/C Ratio / Planned Budget		\$19,353		\$90,292		\$1,114,329		\$30,744		\$1,254,719
Smart Start (NHEC/PSNH)										
Number of Participants / Planned Budget				\$10,447		\$27,381		\$0		\$37,829
Utility Performance Incentive										
B/C Ratio / Planned Budget		\$128,383		\$121,162		\$1,152,994		\$189,531		\$1,592,070
TOTAL PLANNED BUDGET		\$1,752,525		\$1,635,686		\$15,749,267		\$2,278,143		\$21,415,621

*Includes SBC, net FCM and Interest

RGGI Budget*



New Hampshire CORE Energy Efficiency Goals - 2013										
RGGI BUDGET										
PROGRAMS	LU Electric		NHEC		PSNH		UNITIL		TOTALS	
ENERGY STAR Homes										
Number of Homes / Lifetime kWh Savings	9	115,210	7	129,370	68	2,304,439	9	2,143,370	94	4,692,389
B/C Ratio / Planned Budget	4.88	\$15,492	6.97	\$26,261	6.59	\$194,226	9.11	\$38,276		\$274,256
ENERGY STAR Lighting										
Number of Units / Lifetime kWh Savings	1,635	602,939	4,613	600,755	51,379	4,735,440	5,882	680,044	63,510	6,619,178
B/C Ratio / Planned Budget	1.32	\$23,047	1.26	\$20,425	1.26	\$192,049	1.01	\$34,247		\$269,769
ENERGY STAR Appliances										
Number of Rebates / Lifetime kWh Savings	171	277,231	354	800,132	3,644	6,587,586	426	746,181	4,596	8,411,130
B/C Ratio / Planned Budget	1.66	\$52,917	2.36	\$45,228	2.40	\$434,855	2.21	\$56,407		\$589,407
Home Performance w/ENERGY STAR										
Number of Rebates / Lifetime kWh Savings	24	41,232	14	76,341	228	996,249	9	96,813	277	1,210,635
B/C Ratio / Planned Budget	1.89	\$37,429	1.07	\$36,474	2.20	\$413,473	2.77	\$42,509		\$529,885
Home Energy Assistance										
Number of Units / Lifetime kWh Savings	12	170,087	9	155,270	143	1,966,915	10	192,050	175	2,484,321
B/C Ratio / Planned Budget	1.21	\$70,231	1.32	\$46,486	1.63	\$601,519	1.62	\$82,464		\$800,700
Large Business Energy Solutions										
Number of Participants / Lifetime kWh Savings	9	5,350,460	2	1,541,239	76	44,736,073	9	7,325,128	96	58,952,900
B/C Ratio / Planned Budget	1.84	\$150,245	2.25	\$25,320	2.26	\$1,099,887	1.30	\$164,341		\$1,439,793
Small Business Energy Solutions										
Number of Participants / Lifetime kWh Savings	41	3,150,049	13	2,775,698	351	23,375,096	15	2,262,334	419	31,563,177
B/C Ratio / Planned Budget	1.67	\$114,709	2.25	\$68,366	1.86	\$765,888	2.12	\$96,159		\$1,045,121
Educational Programs										
B/C Ratio / Planned Budget		\$4,138		\$5,571		\$41,714		\$4,747		\$56,170
Company Specific Programs / ISO-NE FCM Work										
Number of Participants / Lifetime kWh Savings			2	1,982,589	5,460	14,531,290			5,462	16,513,879
B/C Ratio / Planned Budget		\$5,647		\$17,508		\$310,052		\$7,756		\$340,962
Smart Start (NHEC/PSNH)										
Number of Participants / Planned Budget				\$2,026		\$7,619		\$0		\$9,644
Utility Performance Incentive										
B/C Ratio / Planned Budget		\$37,457		\$23,493		\$320,810		\$47,814		\$429,574
TOTAL PLANNED BUDGET		\$511,311		\$317,157		\$4,382,093		\$574,721		\$5,785,282

*Does not reflect Revolving Loan funded by RGGI (\$100,000 for NHEC and \$115,000 for Unitil).

FAQs



1. Does the proposed budgeting, tracking, and reporting process comport with HB 1490?

Yes. The proposed methodology merely adds the RGGI funds to the SBC monies used to fund the CORE energy efficiency programs, or as stated in the statute, the RGGI funds are "...an additional source of funding to electric distribution companies for core energy efficiency programs that are funded by SBC funds."

2. Does the proposed budgeting, tracking, and reporting methodology provide any customer protections from funding disruptions?

Yes, the proposed methodology does protect customers in the event funding levels are reduced. While overall expenditures as well as individual program budgets would need to be cut, all programs would still be available. This would likely not be the case if all RGGI funding were cut and a program was funded solely or disproportionately through RGGI.

3. Is the proposed budgeting, tracking, and reporting methodology being implemented by all electric utilities?

Yes, all of the electric utilities have adopted the proposed methodology.

4. Are the utilities proposing to include "SBC" and "RGGI" versions of each page in the Quarterly Reports?

No, the utilities plan to provide the totals for expenditures, participation, and savings along with the SBC and RGGI percentages for each Company (i.e. the values presented on slide #5). When needed the SBC and RGGI results can easily be determined by multiplying the total results by the appropriate Company's SBC or RGGI percent.

Questions?

