

THE STATE OF NEW HAMPSHIRE  
before the  
PUBLIC UTILITIES COMMISSION

CORE ENERGY EFFICIENCY PROGRAMS 2013-2014

Docket No. DE 12-262

SETTLEMENT AGREEMENT ON UPDATES TO 2014 PROGRAM YEAR

This Settlement Agreement relating to the 2014 Program Year Update to the 2013-2014 CORE NH Electric Energy Efficiency Programs and Gas Energy Efficiency Programs (“Core Programs”) as approved by the Commission in Order No. 25,462 (February 1, 2013) is entered into this 3<sup>rd</sup> day of December, 2013, by and among: Granite State Electric Company d/b/a Liberty Utilities (“Granite State”); Unitil Energy Systems, Inc. (“UES”); Public Service Company of New Hampshire (“PSNH”); and the New Hampshire Electric Cooperative, Inc. (“NHEC”) (collectively, the “Electric Utilities”); EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities (“EnergyNorth”) and Northern Utilities, Inc. d/b/a Unitil (“Northern”) (collectively, the “Gas Utilities”) (the Electric Utilities and Gas Utilities are collectively referred to as the “Core Utilities”); the Staff of the New Hampshire Public Utilities Commission (“Staff”); the Office of the Consumer Advocate (the “OCA”); the Department of Environmental Services; the Office of Energy and Planning; The Jordan Institute; The Way Home; New Hampshire Community Action Association; TRC Energy Services, and; the New Hampshire Community Loan Fund (all collectively referred to as the “Settling Parties and Staff”), with the intent of resolving the issues discussed herein. This Settlement Agreement constitutes the recommendation of the Settling Parties and Staff with respect to the Commission’s approval of the Core Utilities’ 2014 Program Year Update.

## ARTICLE I. INTRODUCTION AND PROCEDURAL HISTORY

On September 13, 2013 the Core Utilities jointly filed their proposed 2014 Program Year Update to the Core Programs (the “2014 Update”). The 2014 Update proposed certain changes to the Core Programs for calendar year 2014 from the initial two year (2013 & 2014) Core Program plan submitted in September 2012 (and subsequently revised in December 2012 and approved by Order 25,462). The 2014 Update also includes certain changes intended to implement Senate Bill 123 and House Bill 630-FN, which both take effect on January 1, 2014. This legislation provides, in part, that the Commission shall first allocate at least 15% of the RGGI proceeds to the low income energy efficiency program, after which the Core Utilities shall dedicate up to \$2,000,000 of the remaining RGGI proceeds annually for municipal and local government energy projects, including projects by local governments that have their own municipal utilities.

Consistent with the procedural schedule, the Staff and parties met for a technical session on October 18, 2013; on November 1, 2013, the Department of Environmental Services, the Office of Consumer Advocate, and Commission Staff filed testimony on the 2014 Update. A settlement conference was held on November 22, 2013, which resulted in this Settlement Agreement presented for the Commission’s consideration.

The Settling Parties and Staff agreed to certain changes to the 2014 Update, and include as Attachment A to this Settlement Agreement only those pages from the 2014 Update filing that have changed and a table describing the changes. Attachment B to this Settlement Agreement contains the revised 2014 Update with all agreed upon changes.

## ARTICLE II. SETTLEMENT TERMS

The Settling Parties and Staff agree that the 2014 Update as set forth in Attachment B should be approved by the Commission, subject to the modifications set forth in this Article II:

### **A. Early Boiler Replacements**

The Settling Parties and Staff agree that EnergyNorth's Early Boiler Replacement Pilot measure will continue as a pilot for the 2014 Program Year. The Settling Parties and Staff shall discuss during Core meetings in 2014 how the Early Boiler Replacement Pilot measure should be evaluated in the future, the form of that evaluation, and the relevance of other out-of-state evaluations to New Hampshire.

### **B. Home Energy Reports Pilot**

The Settling Parties and Staff agree that no third party evaluation of the Home Energy Reports Pilot will be performed in 2014; instead, an internal evaluation will be performed as described in the "Liberty Utilities Gas – Home Energy Report Pilot," included as Attachment C to this Settlement Agreement.

### **C. Third Party Financing**

The Settling Parties and Staff agree that the Gas Utilities shall offer in Program Year 2014 under the Residential Practices and Demonstration Program the Third Party Financing Pilot, as described in Attachment B and the "White Paper – Third Party Financing Pilot for NH Residential Gas Customers" included as Attachment D to this Settlement Agreement.

#### **D. Process for Introduction and Evaluation of Pilot Programs**

The Settling Parties and Staff agree that they will discuss at Core meetings in 2014 the establishment of a process for the introduction of Core pilot programs and measures in the future. Issues will include a methodology for introduction of pilot programs and measures, criteria for when pilot programs and measures would be evaluated, timing of the evaluations, and when pilots should become permanent programs.

#### **E. Performance Incentive Formula – Gas Programs**

The Settling Parties and Staff agree that they will discuss at the Core meetings in 2014 the Performance Incentive formula for the gas utilities for 2015 and beyond.

#### **F. Monitoring and Evaluation**

The Settling Parties and Staff agree to begin implementation of Section IV of the CORE 2013-2014 filing entitled “Monitoring and Evaluation” filed on September 17, 2012 in this docket as follows:

1. At the first Core quarterly meeting in 2014, the Settling Parties and Staff shall meet to identify steps and create a procedural schedule to establish a multi-year program monitoring and evaluation plan.
2. The steps may include but are not limited to:
  - A Prepare and issue an RFP for an independent consultant to lead the Monitoring and Evaluation project;
  - B Establish contact with the Northeast Energy Efficiency Partnership’s (NEEP’s) Regional Evaluation, Measurement and Verification Forum (EM&V) to leverage existing data and resources; and

C. Take additional necessary steps to ensure that the Core Utilities are using up to date data in monitoring and evaluating program cost effectiveness.

### **G. General Provisions**

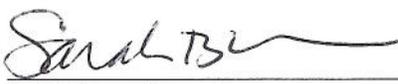
Staff and the Settling Parties agree that all testimony and supporting documentation should be admitted as full exhibits for purposes of consideration of this Settlement Agreement. Agreement to admit all direct testimony without challenge does not constitute agreement by Staff and the Settling Parties that the content of the written testimony filed on behalf of Staff or the other Parties is accurate or what weight, if any, should be given to the views of any witness. Furthermore, in light of the fact that they have entered into this Settlement Agreement, the Staff and the Settling Parties have agreed to forego cross-examining witnesses regarding their pre-filed testimony and, therefore, the admission into evidence of any witness's testimony or supporting documentation shall not be deemed in any respect to constitute an admission by any party to this Settlement Agreement that any allegation or contention in this proceeding is true or false, except that the sworn testimony of any witness shall constitute an admission by such witness.

This Settlement Agreement is expressly conditioned upon the Commission's acceptance of all of its provisions without change or condition. If such acceptance is not granted, the Settlement Agreement shall be deemed to be null and void and without effect, and shall not constitute any part of the record in this proceeding nor be used for any other purpose. The Settling Parties and Staff agree to support approval of this Settlement Agreement before the Commission and the Settling Parties and Staff shall not oppose this Settlement Agreement before any regulatory agencies or courts before which this matter is brought.

The Commission's acceptance of this Settlement Agreement does not constitute continuing approval of or precedent regarding any particular issue in this proceeding, but such acceptance does constitute a determination that, as the Settling Parties and Staff believe, the provisions set forth herein are just and reasonable. The discussions which have produced this Settlement Agreement have been conducted on the understanding that all offers of settlement and discussion relating thereto are and shall be privileged, and shall be without prejudice to the position of any party or participant representing any such offer or participating in any such discussion, and are not to be used in any manner in connection with this proceeding, any further proceeding or otherwise.

IN WITNESS WHEREOF, the Settling Parties and Staff have caused this Settlement Agreement to be duly executed in their respective names by their agents, each being fully authorized to do so on behalf of their principal.

GRANITE STATE ELECTRIC COMPANY  
D/B/A LIBERTY UTILITIES

By:   
Sarah B. Knowlton, Esq.

Date: 12-2-13

NEW HAMPSHIRE ELECTRIC COOPERATIVE

By: \_\_\_\_\_  
Mark W. Dean, Esq.

Date: \_\_\_\_\_

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Date: 12/2/13

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:   
Matthew Fossum, Esq.  
Counsel

Date: 12/2/13

UNITIL ENERGY SYSTEMS, INC.

By: \_\_\_\_\_  
Orr & Reno, P.A.  
Rachel Aslin Goldwasser, Esq.

Date: \_\_\_\_\_

ENERGYNORTH NATURAL GAS, INC.  
D/B/A LIBERTY UTILITIES

By: \_\_\_\_\_  
Sarah B. Knowlton, Esq.

Date: \_\_\_\_\_

NORTHERN UTILITIES, INC.  
D/B/A UNITIL

By: \_\_\_\_\_  
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STAFF OF THE NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

By: \_\_\_\_\_  
Marcia Brown, Esq.

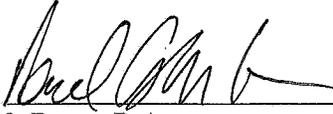
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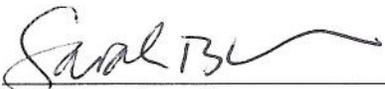
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STAFF OF THE NEW HAMPSHIRE  
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By: Marcia A Brown  
Marcia Brown, Esq.

Date: 12/2/2013

OFFICE OF THE CONSUMER ADVOCATE

By:   
Susan Chamberlin, Esq.  
Consumer Advocate

Date: 12/2/13

NEW HAMPSHIRE COMMUNITY  
ACTION ASSOCIATION

By: \_\_\_\_\_  
Ryan Clouthier

Date: \_\_\_\_\_

OFFICE OF ENERGY AND PLANNING

By: \_\_\_\_\_  
Brandy Chambers  
Energy Policy Analyst

Date: \_\_\_\_\_

DEPARTMENT OF ENVIRONMENTAL SERVICES

By: \_\_\_\_\_  
Rebecca Ohler  
Transportation/Energy Programs Manager

Date: \_\_\_\_\_

THE JORDAN INSTITUTE

By: \_\_\_\_\_  
Laura Richardson

Date: \_\_\_\_\_

THE WAY HOME

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Alan Linder, Esq.

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By: *Laura S. Richardson*  
Laura Richardson  
Executive Director

Date: 12/2/13

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Rebecca Ohler  
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THE JORDAN INSTITUTE

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Laura Richardson

Date: \_\_\_\_\_

THE WAY HOME

By: Alan Linder  
New Hampshire Legal Assistance  
Alan Linder, Esq.

Date: 12/3/13

TRC



By: \_\_\_\_\_  
Tom Rooney  
Technical Director

Date: December 2, 2013

COMMUNITY LOAN FUND

By: \_\_\_\_\_  
Rick Minard  
Vice President for Policy and Programs

Date: \_\_\_\_\_

TRC

By: \_\_\_\_\_  
Tom Rooney  
Technical Director

Date: \_\_\_\_\_

COMMUNITY LOAN FUND

By:   
Rick Minard  
Vice President for Policy and Programs

Date: December 3, 2013