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Sent: Friday, May 13, 2016 3:11 PM
To: Bernstein, Barbara; B.J. Otten; Les Otten; Skip Bennett; Jared Mulliner; Matthew Hiebert
Subject: testimony

Barbara,

Thank you very much for hosting a thoughtful and productive session on rebate consideration. You assembled a knowledgeable group with constructive thoughts. Thank you also for inviting written testimony in summary of, and addition to, our discussions.

On the residential side I support an increase in rebate cap, but think such an increase necessitates a commensurate increase in percentage of cost covered to prevent simple marking up of installations to capture more rebate money without added benefit to the homeowner. I found the \$10,000 cap on a 50% rebate and certain adders highly favorable. I believe that level of support would move the market some in this particularly difficult time without leading the marketplace to assume that boilers will always be heavily subsidized if one just waits.

The suggestion that indices be created to allow for routine annual rebate price adjustment based on the average price of oil over the last six months is a very good one. The marketplace can understand it, and it avoids giving the impression that the rebate program could become volatile as fossil fuel prices do. A framework, such as the one proposed by Charlie, with decreases in rebate levels occurring on full dollar increases in average oil prices makes sense to me. If we think of today's average cost as approximately \$2, a decrease in rebate rate, perhaps to 40% and a reduction in cap, perhaps to \$8,000 could occur when the average oil price reached \$3/gallon, with a similar reduction of 10% and \$2,000 occurring again at \$4/gallon. I think the program could taper pretty quickly after oil exceeds \$4/gallon.

The wording of the "escape clause" that allows for adjustment other than on the anniversary of the program should limit the frequency of such adjustment and require that only very significant, apparently persistent price shifts in average oil prices can trigger that adjustment.

I was particularly pleased with Morty's adder suggestion of \$250+/- for each ton of bulk storage capacity installed beyond 3 tons. This could have a profound impact on the development of bulk distribution infrastructure as it would reduce the cost of delivery for those entering that business. Today's installed boiler base, with many residential storage units of just 3 tons, is a difficult one for the delivery companies. Many deliveries fall below 3 tons making the cost of delivery high in comparison to the value of the fuel delivered.

I was happy to see the thermal storage adder considered only for commercial scale projects. More and more installers are coming to recognize that thermal storage units on residential scale boilers, at America water temperature levels, should be considered only on a case by case basis. Any government practice that implies they should be generally considered, or installed, will only serve to drive up the cost of residential installations.

Again, thank you for your work and the New Hampshire PUC's leadership role in advancing biomass for thermal use.

Respectfully, Dutch Dresser

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