

In Re:

*DE 16-614 RESIDENTIAL BULK-FED WOOD PELLET FURNACE
AND BOILER INCENTIVE PROGRAM*

*Public Comment Hearing
June 3, 2016*

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2 PUBLIC UTILITIES COMMISSION
3
4
5 June 3, 2016 - 1:15 p.m.
6 Concord, New Hampshire
7
8 RE: DE 16-614
9 RESIDENTIAL BULK-FED WOOD PELLET
10 FURNACE AND BOILER INCENTIVE PROGRAM
11 Public Comment Hearing
12 PRESENT: Chairman Martin P. Honigberg, Presiding
13 Commissioner Robert R. Scott
14 Commissioner Kathryn M. Bailey
15
16 Sandy Deno, Clerk
17
18 APPEARANCES:
19 Reptg. Commission Staff - Sustainable
20 Energy Division:
21 David K. Wiesner, Esq.
22 Barbara Bernstein
23 Karen Cramton
24 Tanya Wayland

25 COURT REPORTER: SUSAN J. ROBIDAS, N.H. LCR NO. 44
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1 PROCEEDINGS

2 CHAIRMAN HONIGBERG: All right.
 3 We're here this afternoon in Docket DE 16-614,
 4 which is the residential bulk-fed wood pellet
 5 and furnace and boiler incentive program. This
 6 is a public comment hearing on proposed program
 7 modifications and formal program adoption. I
 8 know Staff issued a recommendation regarding
 9 this program on May 27th of 2016. We scheduled
 10 this hearing to receive public comment on that.
 11 We have a few people who have signed up to
 12 speak.

13 Would someone from Staff like to
 14 set the scene for us beyond that? Mr. Wiesner?

15 MR. WIESNER: I might just briefly
 16 hit the high points of Staff's recommendation
 17 and the proposed modifications to the program.
 18 The primary driver is what we have
 19 characterized as a "temporary" increase in the
 20 incentive level to reflect current market
 21 conditions. We've seen a precipitous drop-off
 22 in the number of installations and rebate
 23 applications here for this program, largely due
 24 to low oil prices. It's much harder to sell

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1 these systems when the competition looks as
 2 good as it does, when the oil prices are low.
 3 There's some expectation this may only be a
 4 temporary effect, and so we have characterized
 5 the proposed increase, which is going from
 6 30 percent to 40 percent total system costs and
 7 up to a maximum of 10,000, where the current
 8 max limit is 6,000, we characterized this as
 9 "temporary," as I said. We had extensive
 10 discussions with stakeholders about how
 11 "temporary" it would be and whether there would
 12 be an automatic readjustment tied to increases
 13 in oil prices that may be expected or
 14 anticipated to occur within the next few years.
 15 We couldn't come up with a proposal that we
 16 concluded made sense, and we were concerned
 17 that timing issues and indexing issues would
 18 lead to unintended consequences. So what we've
 19 done instead is recommended that this increase
 20 go into effect. Staff will keep an eye on
 21 market conditions. And if it's believed to be
 22 warranted, Staff would come back and say, for
 23 example, that the rebate level could be lowered
 24 again because oil prices are higher and the

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1 market conditions have changed in favor of the
2 installation industry. Technically speaking,
3 that's not "temporary," but it is our intent to
4 monitor the situation, and when circumstances
5 warrant, if and when they do, to come back with
6 a recommendation that the rebate level be
7 lowered again.

8 We're also proposing a rebate
9 adder of \$100 per ton for additional fuel
10 storage capacity. And that is really a
11 recognition that there are greater economies of
12 scale and efficiencies to be had from
13 installing larger fuel storage capacity, and
14 that for residential customers, that's often a
15 trade-off between floor space in the home
16 against the theoretical value of the larger
17 storage capacity. So, in recognition of that,
18 Staff proposes, as I said, a \$100 per ton fuel
19 storage system increase adder.

20 We're not proposing at this time
21 that residential customers be required to
22 participate in the Class I thermal REC market.
23 We heard quite a bit during our stakeholder
24 session about some of the complexities and

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1 costs involved in thermal REC metering and that
2 those are issues that really need to be
3 addressed through the 2500 rules rather than
4 through the rebate program. As a result of
5 that, I think we were convinced that now is not
6 the time to require thermal REC eligibility for
7 residential customers.

8 There's also sort of a perennial
9 discussion about whether this program should be
10 limited to fuel chips -- fuel pellets, I should
11 say, rather than opening it to additional fuel
12 sources such as, in particular, processed,
13 dried chips. And Staff's current proposal is
14 that there be no change in the fuel eligibility
15 requirements and that the program continue to
16 be limited to fuel pellets and not be opened up
17 to processed dried chips.

18 Emissions requirements. We are
19 looking to lower the standard, which is making
20 the standard more strict. We heard from
21 stakeholders that there is really no problem
22 with that and that that would match the
23 Massachusetts standards. So that's a decrease
24 from .32 pounds per million Btu down to .1.

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1 Our understanding is that most of the systems
2 that are being installed can easily meet that
3 lower standard.

4 And last, because of the
5 particular backstory of this program which
6 began using federal stimulus funds received
7 from the Department of Energy, it was actually
8 never approved under the RPS statute, unlike
9 all of the other rebate programs that the
10 Commission operates using renewable energy
11 funds. So, even though now the funding for
12 this program is from the Renewable Energy Fund,
13 it was actually never approved under
14 362-F:10,VIII. So we are looking to rectify
15 that and recommend that the Commission take
16 this opportunity to formally adopt the program
17 and ratify it under that statute.

18 CHAIRMAN HONIGBERG: Thank you, Mr.
19 Wiesner. We're going to hear from the members
20 of the public with oral comments. Also note
21 for the record that we will accept written
22 comments through next Friday, June 10th of
23 2016. So I have three people signed up to
24 speak.

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1 Before I call the first member
2 of the public, Commissioner Bailey has a
3 question for Mr. Wiesner, or some other member
4 of the Staff.

5 CMSR. BAILEY: Can you explain to me
6 why you would not allow dried chips or other
7 biomass fuels to qualify for this program?

8 MR. WIESNER: I probably could, but
9 I'm going to ask Ms. Bernstein to address that.
10 And I should have introduced the other folks at
11 the table. I apologize for that.

12 I'm the Staff attorney that
13 works with the Sustainable Energy Division.
14 With me are Barbara Bernstein, Karen Cramton
15 and Tanya Wayland, also of the Sustainable
16 Energy Division. So I'll ask Ms. Bernstein to
17 address that.

18 CMSR. BAILEY: Thank you.

19 MS. BERNSTEIN: Thank you,
20 Commissioner. We certainly have discussed the
21 possibility of bringing the processed dried
22 chips in particular into this program. Because
23 the original goal of this program was to try to
24 help to stimulate the home delivery market for

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1 wood pellets, and we are far from having
2 accomplished that goal, we're still kind of
3 chugging slowly at that. So that's probably
4 our first reason for wanting to continue with
5 the current goal of keeping this to the wood
6 pellet for the wood pellet boilers. But in
7 addition, the Sustainable Energy Division has
8 given a number of grants for processed dried
9 chips. So we are trying to address other
10 biomass technologies through other programs, so
11 we're hoping we have them all covered in that
12 way.

13 CMSR. BAILEY: Have the grants for
14 wood chips been given to residential customers?

15 MS. BERNSTEIN: I don't believe so.
16 Let me ask the division director.

17 MS. CRAMTON: Hi, I'm Karen Cramton,
18 for the record. The grant program is only open
19 to commercial and industrial customers. So the
20 answer would be, no, residential customers that
21 want to use wood chips would not be eligible to
22 apply for or receive a grant from us.

23 CMSR. BAILEY: Okay. So, Ms.
24 Bernstein, you said that you were attempting to

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1 stimulate the home delivery of wood pellets.
2 Why is that better than the home delivery of
3 wood chips? Is there more benefit to the
4 environment from wood pellets than wood chips?
5 I don't understand why --

6 MS. BERNSTEIN: I don't necessarily
7 believe that there is a difference. I do know
8 that we have -- I think we would be watering
9 down any benefit to either industry if we
10 didn't focus just on the wood pellets. That's
11 my understanding.

12 CMSR. BAILEY: Because there would be
13 less money available for the wood pellets?

14 MS. BERNSTEIN: Well, we would end up
15 having -- you know, some delivery trucks would
16 be -- well, hold on. Let me back up on that.
17 Sorry.

18 There's huge infrastructure cost
19 to setting up the delivery for wood pellets.
20 And the trucks at this point are still not
21 being maximized. And so if we then water it
22 down and allow in all other technologies into
23 this program, those folks that have put a
24 significant amount of investment into those

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1 trucks will end up not being able to grow their
2 businesses. They'll just end up with other
3 competition that will keep them from being able
4 to make a value out of what they've already
5 started.

6 CMSR. BAILEY: Okay. I'm going to
7 have to think about that. Thank you.

8 MS. BERNSTEIN: Okay.

9 CHAIRMAN HONIGBERG: Now I think
10 we're ready to start hearing from members of
11 the public. As I said, I think we have three
12 people signed up to speak. I'll take them in
13 the order in which they appear on the sheet.
14 And the first is Dutch Dresser from Maine
15 Energy Systems.

16 MR. DRESSER: Thank you. My name is
17 Dutch Dresser. I'm a founding director of
18 Maine Energy Systems. We manufacture and
19 distribute pellet-fired boilers and furnaces
20 from Bethel, Maine. And we also are the
21 largest regional distributor of loose, bulk
22 pellets. And perhaps I can help Commissioner
23 Bailey a bit with the question that was asked
24 earlier.

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1 One of my roles is that of
2 business development in places other than those
3 that we, Maine Energy Systems, can reach. When
4 this project began, Maine Energy Systems was
5 the sole loose, bulk pellet distributor in
6 perhaps the U.S. Maybe not quite that
7 magnanimous, but pretty close. We were the
8 only company that delivered to residences in
9 New England. We drive, to this day, 150 miles
10 in one direction to deliver loose, bulk pellets
11 to residents, which is not a cost-effective
12 proposition, but it's what needs to happen to
13 serve the market.

14 One of my roles is development
15 of other -- of this sort of business in other
16 locations. And the impediment to business
17 development in all of these regions is always
18 exactly the same: It's the develop -- it's the
19 distribution of fuel. It costs a quarter of a
20 million dollars to buy a truck that does the
21 job right. It costs another quarter of a
22 million dollars to have a redistribution silo
23 system put in place. So, it's very, very
24 difficult for many small communities that would

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1 like to begin heating with wood pellets to
2 justify that sort of upfront cost with a
3 handful of customers. So it really does take
4 some sort of significant growth before that end
5 of the business is to ever break even, let
6 alone be profitable. So, I applaud what New
7 Hampshire did several years ago when they
8 recognized the central nature of the
9 distribution puzzle and made it a mission to
10 try and make it work here in New Hampshire.
11 And it has indeed, thank you.
12 I'm here mostly to appreciate
13 what the Staff has recommended. I was in the
14 technical hearing a week or two ago. I think
15 they reached what I would consider to be a good
16 position between some of the recommendations
17 and the current rebate position today. For us,
18 rebates -- for us as distributors of pellet
19 appliances, we hope for rebates to be
20 encouraging without creating long-term
21 dependency. So, for us, there's a really
22 delicate balance between the size of that
23 rebate and the attitude in the marketplace.
24 Clearly, help is needed right now. Fossil fuel

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1 prices are remarkably low, and our sales
2 numbers look lots like the numbers you're
3 seeing on the back of the chart because of
4 that. So we'll appreciate some sort of
5 increase, if that's doable.
6 I hope that you could also
7 consider a couple of other things. Right at
8 the moment, the market in New Hampshire is dead
9 in the water. When the marketplace gets wind
10 of the fact that rebate levels are being
11 reconsidered, they stop. Nothing happens until
12 decisions are reached, programs are announced
13 and rebate dates are set. So, if it were
14 possible for you to make any changes in the
15 program retroactive to the date of the
16 technical meeting, that would bring the market
17 back to life again, and that would be very much
18 appreciated. Similarly, it's very helpful to
19 the industry if rebate level considerations are
20 sort of an annual event as opposed to an
21 episodic event, so that the market can be
22 stable for a while, the salespeople can predict
23 what the level of rebate is going to be, the
24 customers understand what the rebate level is

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1 going to be and can do their business on a
2 schedule that won't be a surprise to them down
3 the road in a few weeks. I understand the
4 reasoning behind the inability to consider
5 thermal RECs for residential customers and
6 changes to that program right now. But I would
7 like to make a plea for you to consider, when
8 the time is right, a much less demanding heat
9 measurement method for residential customers.
10 That will -- if you could make that work, that
11 would be a long-term incentive to pellet
12 appliance and fuel customers, as it would
13 amount to a fuel price reduction over time.
14 And it would seem to me that on a residential
15 scale it would be a very low risk. And simply
16 considering the amount of fuel I can
17 demonstrate to you was blown into my silo and I
18 used over the course of the year with weigh
19 slips and sales slips, we all agree on some
20 level of efficiency of these appliances. You
21 pick the level, I can help, and let them
22 participate in the REC program in that manner.
23 I think you'd find lots of enthusiasm. And
24 that would, in some manner, effectively be a

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1 rebate for pellet customers over a longer haul.
2 So, my remarks are very short.
3 I appreciate what you're doing. I applaud New
4 Hampshire for taking a leadership role in this,
5 and I look forward to your results. Thank you.
6 CHAIRMAN HONIGBERG: Commissioner
7 Scott has a question.
8 CMSR. SCOTT: Thank you, Mr. Dresser.
9 And I want to go back to probably the same one
10 that Commissioner Bail was on. You know,
11 really my question is: Why wood pellets to the
12 exclusion of wood chips? And I'll say I
13 struggled with this originally when we put that
14 requirement in. I don't think you were there
15 at the time, or Mr. Short. But I know
16 Mr. Niebling was there, I think, and probably
17 remembers the conversation. So I understand
18 you need to grow the delivery systems and that
19 type of thing, but it strikes me that what
20 we're currently doing is picking pellets over
21 wood chips, and I would imagine if I were doing
22 dried wood chips, I would have the same
23 argument: Well, I need to have my delivery
24 systems primed. So, why would we do that?

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1 MR. DRESSER: Well, at the risk of
2 having to walk out all by myself, I'm not
3 taking a stand on that issue at all, frankly.
4 I believe the installed, processed dried chip
5 market is very small right now. I wish them
6 the best. I know folks who are doing the work,
7 and I know some of the equipment they're using,
8 and all those things are good. So I don't --
9 I'm not here to argue for just me. That's not
10 my position.

11 CMSR. SCOTT: All right. Hearing
12 that, would you -- if we were to expand to
13 include wood chips, would that be objectionable
14 to you?

15 MR. DRESSER: I honestly don't know
16 how much difference it would make. I don't
17 know how much -- I honestly don't know of
18 residential chip-burning equipment. I know
19 very well that in Europe it's repeatedly tried,
20 and it fails each time. And the folks who end
21 up actually using chips for residential-scale
22 heating in Europe are the farmers who have the
23 chips and don't mind fiddling with the
24 equipment. For the ordinary homeowner, it

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1 hasn't taken off in Europe. So I don't
2 anticipate it will here. So, honestly, I don't
3 see an issue.

4 CMSR. SCOTT: Thank you.

5 CHAIRMAN HONIGBERG: All right. Our
6 next speaker is Joe Short.

7 MR. SHORT: Thank you. My name's Joe
8 Short. I'm Vice-president of a not-for-profit
9 organization, the Northern Forest Center. And
10 our mission focuses on forest-based community
11 economic development in the New Hampshire North
12 Country and across the broader northern forests
13 of Maine, Vermont and upstate New York.

14 We've put a strong mission focus
15 on what we call "modern wood heat," the use of
16 these bulk-fed pellet boilers, because we see
17 it really as a win-win-win for communities, the
18 economy and the environment in New Hampshire
19 and in the broader northern forest for a number
20 of reasons, which I believe are recognized when
21 this program was created. It moves the region
22 away from its dependence on imported fuel oil
23 towards a local renewable fuel. It keeps fuel
24 dollars in our region as opposed to exporting

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1 them out. It supports our forest economy and
2 grows an important market for, in particular,
3 low-grade wood from New Hampshire's forests.
4 It grows new economic opportunities, as Mr.
5 Dresser was speaking to, in the industry that
6 distributes, installs, services and supplies
7 these systems. Finally, it's
8 carbon-beneficial, in terms of reducing carbon
9 dioxide emissions over time. So, in addition
10 to being a renewable, climate-friendly
11 technology, this is a technology that has, as
12 you can see, benefits that go far beyond those
13 two particular characteristics.

14 We are highly supportive of your
15 Staff's recommendations, all of the proposed
16 modifications, particularly the increased
17 incentive and the notion that that might be
18 revisited periodically in the future. We would
19 agree with all the observations that, really,
20 the double whammy of low oil costs and a warm
21 winter this past year dramatically slowed
22 demand for pellets and this technology. And I
23 would certainly support the notion that that is
24 likely a temporary blip. If anything, pellet

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1 prices over time have been remarkably stable,
2 and that in fact is one of the selling points
3 that we're using now for the technology is that
4 it does bring cost stability.

5 As an example of the benefits of
6 this technology and why we believe it is so
7 important that it has received state support
8 and should continue, we did a project in
9 Berlin, New Hampshire, a number of years ago,
10 the Model Neighborhood Project, which installed
11 a total of 48 pellet boilers in and around
12 Berlin. And we tracked the fuel consumption
13 and use of those systems over time. To date,
14 those 48 boilers on their own have resulted in
15 \$1.4 million in cost savings to the customers
16 who put them in. They resulted in \$3 million
17 in total economic impact to the region that's
18 accounting for keeping those heating costs
19 locally, and reduced carbon dioxide emissions
20 by 2,627 tons. Those benefits are significant.
21 And at this time, we really built a lot of
22 momentum in this industry that has hit a
23 challenging bump, and we feel that, really, to
24 sustain the momentum that this rebate program

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1 really helped create, and as Mr. Dresser said,
2 really led this region and led other states to
3 our east and west to adopt similar programs to
4 really maintain that momentum and retain what
5 it's created, that these modifications at this
6 time are warranted and important.
7 To the question of chips versus
8 pellets, I think particularly on the
9 residential scale, we similarly have seen few
10 systems available. I think there's a question
11 of is the fuel available, dried chips currently
12 available. So, at the residential level, I
13 would have to agree that practically it does
14 not appear to make a difference, other than to
15 say there's really not a lot out there. If
16 you're a homeowner who wants to put in a dried
17 chip system, you have very few options at this
18 time. So, I would agree you'd probably see
19 little interest in using it. But that's the
20 current state of affairs.
21 So, thank you again. We can't
22 emphasize enough the importance of this program
23 in New Hampshire. Appreciate its existence. I
24 was not aware that it had not formally been

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1 ratified. So I would strongly ask that you
2 take that step so that we maintain this really
3 key piece in sustaining what is an important
4 part of New Hampshire's energy picture. Thank
5 you.
6 **CHAIRMAN HONIGBERG:** Last person
7 signed up to speak is Charlie Niebling.
8 **MR. NIEBLING:** Thank you,
9 Commissioner Honigberg and Commissioners Scott
10 and Bailey. I appreciate the opportunity to
11 speak. I'm Charlie Niebling. I'm a consultant
12 and partner with Innovative Natural Resource
13 Solutions in Concord, New Hampshire. I'm
14 speaking today on behalf of New England Wood
15 Pellet, a manufacturer of wood pellet fuel,
16 headquartered in Jaffrey, New Hampshire, with
17 facilities in Jaffrey, two in New York State
18 and one in Pennsylvania.
19 I want to just say a few quick
20 things at the outset with respect to the impact
21 that I believe the rebate program has had in
22 achieving the goals that were outlined by Staff
23 and others and adopted ultimately by
24 commissioners. It's had a decidedly positive

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1 impact on the objective of incentivizing
2 investment in pellet fuel delivery
3 infrastructure. And if I may, Chairman
4 Honigberg, I'd like to approach the bench. I
5 have a graphic to share with you that I think
6 puts this in -- illustrates what I'm about to
7 say.
8 **CHAIRMAN HONIGBERG:** Mr. Wiesner,
9 help me out procedurally.
10 **MR. WIESNER:** It's a public comment
11 hearing, so I think it's up to you whether you
12 receive this as a written comment at this time.
13 **CHAIRMAN HONIGBERG:** I'm happy to
14 receive. It's just a question of how do we
15 characterize it. How does it get preserved?
16 **MR. NIEBLING:** I'll take it back.
17 **CHAIRMAN HONIGBERG:** No, you won't.
18 Mr. Wiesner, why don't you give
19 some thought to that while you're sitting over
20 there.
21 And Mr. Niebling, why don't you
22 continue. We have in our possession a single
23 sheet that you've handed us that you're going
24 to be using as part of your public comment.

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1 We'll work it out. Don't worry about it.
2 **MR. NIEBLING:** I'm naive to the ways
3 of the Commission, I guess, when it comes to
4 public hearings. So, I apologize.
5 **CHAIRMAN HONIGBERG:** Mr. Niebling, I
6 hesitate to say we make it up as we go along
7 because that's not true. But this doesn't
8 generally happen. Generally, people give their
9 oral comments and then they later sometimes
10 follow up with a written submission. But it's
11 not to say you can't. Like I said, we'll
12 figure it out.
13 **MR. NIEBLING:** All right. Breaking
14 new ground here. Really, it's just a picture
15 of what bulk pellet distribution looked like in
16 2006, which was a number of years before the
17 New Hampshire PUC instituted the rebate
18 program, and what it looks like today across
19 the region. And there are a bunch of trucks in
20 this region that did not exist just a few years
21 ago. And many millions of dollars of
22 investment that has been made in large measure
23 responding to the market created by the rebate
24 program, both residential and commercial in New

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1 Hampshire's case, residential and to some
2 extent commercial in the case of other states.
3 No question New Hampshire's lead begat Maine's
4 rebate program, and New Hampshire and Maine's
5 program begat Massachusetts, Vermont and
6 ultimately New York State's. So it's
7 significant. Now, these trucks are out there.
8 They're operating, but I rather doubt anybody
9 is making any money doing it. At best, it's a
10 break-even proposition, and at worse, probably
11 subsidized by the owners and operators of the
12 trucks, which is why it is so important to keep
13 the rebate program functional and helping to
14 catalyze market interest during this very
15 difficult time of low, compared to oil, propane
16 and natural gas, prices.
17 Key point: With respect to the
18 changes that are proposed, I fully support the
19 recommended changes that Staff have put
20 forward. I support the adder that is proposed
21 for larger bulk storage, especially because
22 hopefully homeowners will be inclined to put a
23 bigger tank in so they can benefit from more
24 attractive fuel delivery economics, which works

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1 for the bulk distributor as well; they'll be
2 doing fewer partial deliveries and more whole
3 truck deliveries. Everybody wins when you can
4 take care of the homeowner's needs with fewer
5 deliveries.
6 The comment that Mr. Dresser
7 made about making any potential change that you
8 might approve retroactive, if you have the
9 authority to do that, I would urge you to
10 consider doing that, because there's no
11 question that contemplation by Staff and
12 Commissioners under this docket of changes has
13 had a chilling effect on interest as everyone
14 waits to see what you ultimately decide.
15 On the question of chips -- or
16 dried chips also being a qualifying fuel under
17 this program, philosophically I'm supportive of
18 that. I don't think these programs should be
19 prejudiced against any qualifying biomass fuel
20 that can be used to make heat efficiently and
21 achieve the goals of the program. It may be
22 sort of irrelevant with respect to this
23 particular docket because there are just no
24 systems out there readily available in the

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1 marketplace at the residential scale that burn
2 chips. Pellets work because you can -- because
3 of their refined and fully automated nature,
4 the fuel can be used at that scale. It's
5 really only when you get up into the commercial
6 and industrial scale that chips become a viable
7 option. And perhaps this question will get
8 some attention during the docket that opens at
9 2:00.
10 So, I just want to thank the PUC
11 for its leadership and the hard work of the
12 Staff over the last several years in
13 implementing the program. They have been
14 fantastic to work with. And I do hope that the
15 Commissioners will support their
16 recommendations. Thank you.
17 CHAIRMAN HONIGBERG: Commissioner
18 Scott has a question.
19 CMSR. SCOTT: Thank you,
20 Mr. Niebling. I'm back on the same topic I
21 was, which is chip versus pellet. To my
22 recollection, you've been involved in the
23 development, if you will, of the pellet market,
24 I believe, so you have a perspective like

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1 everybody else in the room perhaps of what
2 signals we send. So I'm a little bit
3 concerned, even if it's maybe a distinction
4 without a difference. At the end of the day,
5 we have a program which says pellets only. Am
6 I correct that, if I'm developing or interested
7 in developing some other market with, say,
8 dried wood chips for residential applications,
9 and I see that type of signal, that may deter
10 me, for instance, where if it was more
11 fuel-neutral -- not fuel-neutral -- more
12 neutral than just wood pellets, it sends a
13 different signal? Is that a fair assessment?
14 MR. NIEBLING: Yes, that is a fair
15 statement. I think the market would respond if
16 you were to expand the scope of this program.
17 CMSR. SCOTT: And my other question
18 is, again, knowing your background a little bit
19 on the emissions requirements, do you have a
20 feel for the proposed particulate matter
21 standards? Would dried wood chips be able to
22 meet that standard?
23 MR. NIEBLING: At the residential
24 scale, with the one manufacturer of technology

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1 that is available in the market at that scale,
2 I don't know the answer to that. That
3 manufacturer is a company called Windhager.
4 And, you know, the Staff or others could do
5 some research on that question. But that might
6 be an issue for chips at that scale. I don't
7 know.
8 CMSR. SCOTT: And perhaps you
9 believe -- I tend to agree that it would be
10 more challenging for wood chips than wood
11 pellets.
12 MR. NIEBLING: No question.
13 CMSR. SCOTT: And again, given
14 that -- maybe this is optics -- but if somebody
15 can build a better mousetrap, wouldn't we want
16 to be incenting that to happen?
17 MR. NIEBLING: Absolutely.
18 CMSR. SCOTT: Thank you. That's all
19 I have.
20 CHAIRMAN HONIGBERG: I have a
21 question about retroactivity that you and Mr.
22 Dresser both discussed. I'm not sure I quite
23 understand what "retroactivity" would mean in
24 this context, given what I think both of you

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1 said is that the market has been frozen while
2 there's been consideration of changes. It
3 sounds like instead you're asking us to act
4 quickly so we can unfreeze the market.
5 "Retroactivity," to me, implies that we would
6 make higher rebates available to those who
7 acted before any action was formally taken.
8 So, am I misunderstanding what you mean by
9 "retroactivity"? Or do you have in mind that
10 there's some group that should receive the
11 higher benefit, having acted -- Mr. Dresser, if
12 you want to address this first, and then
13 Mr. Niebling you can.
14 MR. DRESSER: Well, my sense would be
15 that those who are currently exploring the
16 possibility be encouraged to do so with the
17 promise that they'll get whatever rebate
18 benefit is enacted after you've acted, not
19 someone who's already installed a system and
20 received a rebate. No, I wouldn't imagine
21 that.
22 CHAIRMAN HONIGBERG: Mr. Niebling.
23 MR. NIEBLING: I did indicate -- I'm
24 not sure if you have the authority to do this.

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1 I guess in practical implementation terms, if
2 you filed an application after the date of the
3 technical meeting, which was May -- I can't
4 remember; it was like three weeks ago -- and
5 the applicant has suspended -- or asked that
6 consideration of their application be suspended
7 pending an eventual decision by the PUC on the
8 change in rebate levels, that they be able to
9 qualify for a change in rebate levels, even
10 though they've already submitted an
11 application.
12 CHAIRMAN HONIGBERG: Understood.
13 Thank you.
14 Those are all the people who
15 signed up to speak on the residential program.
16 Is there anyone else here who wishes to speak
17 on the residential program?
18 Mr. Henry. Mr. Henry, when you
19 have a moment after you speak, if you could
20 come and fill in the information on sign-up
21 sheet.
22 MR. HENRY: Will do. Can you hear
23 me?
24 CHAIRMAN HONIGBERG: I think so.

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1 MR. HENRY: The little red light's
2 on, so I figure --
3 (Discussion off the record.)
4 MR. HENRY: I'm Dick Henry, founding
5 director of Hot Zero. And I had not intended
6 to speak at the residential hearing, so most of
7 my comments will be subsequent at the
8 commercial and industrial. But I wanted to
9 address Commissioner Scott's concerns about the
10 consistency on dried chips and pellets. And I
11 do think the previous speakers have indicated
12 that this is a very small market. Usually the
13 units that have the capability of burning dried
14 chips starts somewhere around 150 kilowatts, or
15 500,000 MMBtu. But there is a very tiny market
16 in this state where people are building
17 residential buildings in the 25,000 to
18 30,000 square foot area. I think dried chips
19 have a chance of being viable sort of at 35,000
20 square feet and up. So, because I will speak
21 in favor of dried chips in the C & I, I think
22 having consistency between the residential and
23 the C & I program to cover dried chips,
24 recognizing as the previous speakers indicated,

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1 there are very few residences that approach
2 that size, but they're not unknown in New
3 Hampshire. Thank you.

4 CHAIRMAN HONIGBERG: All right. Is
5 there anyone else who wishes to speak on the
6 residential program?

7 [No verbal response]

8 CHAIRMAN HONIGBERG: All right. So
9 Mr. Henry will put his information on this
10 sign-up sheet. Let's go off the record for
11 just a second.

12 (Discussion off the record)

13 CHAIRMAN HONIGBERG: Back on the
14 record. So we had a short, off-the-record
15 discussion about Mr. Niebling's submission, and
16 I think what is going to happen is Mr. Niebling
17 will file this with a cover letter explaining
18 what it is. And I'll remind him and everybody
19 else that the written comment deadline is a
20 week from today, June 10th, 2016.

21 So, if there's nothing else on
22 this docket, we will adjourn and reconvene
23 shortly for the 2:00 public comment hearing.
24 Thank you all.

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1 (Whereupon the Public Comment Hearing was
2 adjourned at 1:53 p.m.)
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