

THE STATE OF NEW HAMPSHIRE
before the
PUBLIC UTILITIES COMMISSION

2018-2020 NEW HAMPSHIRE STATEWIDE ENERGY EFFICIENCY PLAN

Docket No. DE 17-136

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) relating to the 2019 Update to the 2018-2020 New Hampshire Statewide Energy Efficiency Plan (the “2019 Update Plan”) is entered into this 13th day of December, 2018, by and among: Liberty Utilities (Granite State Electric) Corp. (“Granite State”); Unitil Energy Systems, Inc. (“UES”); Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”); and the New Hampshire Electric Cooperative, Inc. (“NHEC”) (collectively, the “Electric Utilities”); Liberty Utilities (EnergyNorth Natural Gas) Corp. (“EnergyNorth”) and Northern Utilities, Inc. (“Northern”) (collectively, the “Gas Utilities”) (the Electric Utilities and Gas Utilities are collectively referred to as the “Utilities”¹); the Staff of the New Hampshire Public Utilities Commission (“Staff”); the Office of Consumer Advocate (“OCA”); the Department of Environmental Services (“DES”); The Way Home (“TWH”); the Conservation Law Foundation (“CLF”); Acadia Center (“Acadia”); and the New Hampshire Sustainable Energy Association (NHSEA)² (all collectively referred to as the “Settling Parties”), with the intent of resolving the issues discussed

¹ In recognition of the limited jurisdictional status of NHEC, references to the Utilities or the Electric Utilities will be deemed to include NHEC, except where noted by use of the limiting terms “Regulated Utilities,” or “Regulated Electric Utilities.”

² NHSEA is presently undertaking a rebranding to Clean Energy NH. In that the change will not officially occur until after the execution of this agreement, the Agreement retains the NHSEA designation.

herein. This Settlement Agreement constitutes the recommendation of the Settling Parties with respect to the Commission's approval of the 2019 Update Plan.

I. INTRODUCTION AND PROCEDURAL HISTORY

In 2015, the Commission commenced a proceeding, Docket No. DE 15-137, to review the potential for implementation of an Energy Efficiency Resource Standard ("EERS") in New Hampshire. Following an extensive proceeding, numerous parties, including essentially all parties to this Agreement, reached a settlement calling for the implementation of an EERS beginning in 2018. That settlement was filed with the Commission on April 27, 2016 and approved in Order No. 25,932 (August 2, 2016).

Pursuant to that settlement and Order, interested groups of stakeholders were convened for a series of meetings during 2016 and 2017 for purposes of discussing the framework, requirements, and expectations for the EERS. Following those meetings, on September 1, 2017, the Utilities filed an initial plan describing their proposal for the implementation of the EERS for the 3-year period of 2018-2020. That plan was docketed as Docket No. DE 17-136. Following discovery and the submission of testimony, the parties reached a settlement agreement that was filed on December 8, 2017. To assure time for necessary rate changes and program continuity, the Commission issued a secretarial letter on December 29, 2017 permitting certain rate changes proposed in the plan and settlement to take effect on January 1, 2018. The Commission approved the settlement agreement in Order No. 26,095 (January 2, 2018).

The three-year plan approved in Order No. 26,095 was to be updated for each of the years 2019 and 2020. Specifically, the settlement establishing the EERS describes the 2019 and 2020 updates as follows:

During the first triennium, and for each 3-year period of the EERS thereafter, annual update filings shall be submitted for review by the Commission in an abbreviated process substantially similar to the mid-period submissions presently used in the Core dockets. Such annual update filings shall serve as an opportunity to adjust programs and targets and address any other issues that may arise from advancements, including but not limited to, evaluation results, state energy code changes, and/or federal standard improvements.

April 27, 2016 Settlement Agreement in Docket No. DE 15-137 at 8. On September 14, 2018, the Utilities filed the plan update for calendar year 2019. Discovery was undertaken on the 2019 Update Plan and on November 2, 2018, testimony was filed by the Staff, the OCA, and TWH, and on November 5, 2018 by NHSEA and Acadia. The OCA, TWH and CLF also filed statements of legal position. Thereafter, the Settling Parties engaged in extensive settlement discussions that have culminated in this Agreement presented for the Commission's consideration.

II. SETTLEMENT TERMS

The Settling Parties agree that the Settlement Agreement as described below should be approved by the Commission. These terms are intended to be included in a comprehensive settlement and, as such, all terms are interdependent, and each Settling Party's agreement to each individual term is dependent upon agreement with all of the terms.

A. Plan

The Settling Parties agree that the 2019 Update Plan as filed meets the energy savings goals set forth in Order No. 25,932 with a cost-effective portfolio of comprehensive electric and natural gas programs. The Settling Parties agree and recommend that the Plan be implemented by the Utilities, except as modified or described herein.

B. 2019 Budget Levels

Based upon the Utilities' estimates that they were able achieve the energy savings goals of the EERS with lesser funding, the 2019 Update Plan, as filed, incorporated lower overall statewide budgets than had been previously forecast. To accommodate additional energy efficiency work, the Settling Parties agree that the funding for 2019 should be revised to an amount closer to the prior forecasts. The increases in funding are set out below:

Program / Initiative	Funding proposed 9/14/2018	Eversource	Liberty	NHEC	Unitil	Total	Final Funding Proposed
Home Energy Assistance Education (Additional Funds for HEA Training / Ramp-up)	\$7,821,904	\$265,704	\$31,069	\$25,639	\$40,648	\$363,059	\$8,184,964
Large Business DR Pilot	\$418,530	\$146,369	\$17,115	\$14,124	\$22,392	\$200,000	\$618,530
Business (C&I) Programs	\$0	\$250,000	\$0	\$0	\$93,765	\$343,765	\$343,765
Residential Programs	\$22,883,367	\$373,943	\$87,355	\$34,370	\$0	\$495,668	\$23,379,035
Performance Incentive (5.5%)	\$13,819,758	\$526,947	\$47,220	\$76,684	\$82,300	\$733,151	\$14,552,909
	\$2,468,761	\$85,963	\$10,052	\$8,295	\$13,151	\$117,460	\$2,586,222
TOTAL	\$47,412,320	\$1,648,926	\$192,811	\$159,112	\$252,255	\$2,253,103	\$49,665,425

This adjustment requires the revision of the System Benefits Charge ("SBC") rates contained in the initial testimony of the Utilities filed on September 14, 2018. The Settling Parties agree to use the EE SBC funding rate (\$0.00373) that was used to plan budgets provided for 2019 in the filing made on September 1, 2017 in Docket No. DE 17-136. Specific SBC rate

adjustments by Utility, including revised calculation of Lost Base Revenue impacts for Regulated Utilities, will be provided as an exhibit at the hearing on this Agreement.

The Settling Parties agree that, as noted in the chart above, this additional funding shall be treated as follows. The Utilities shall allocate 5.5% of the funds to the Performance Incentive. The Utilities shall allocate 17% to the Home Energy Assistance (“HEA”) program consistent with the treatment of other program funding. The Utilities will add an additional \$200,000 to the Education budget for the specific purpose of increasing training opportunities and other capacity-building needs for contractors serving the HEA program.

Out of the remainder, Eversource and Unitil shall commit \$343,765 to developing a demonstration initiative (i.e. pilot program) intended to test the potential for active demand response strategies within the Commercial and Industrial sector to achieve ISO-NE peak demand reductions. As noted in Section II.L. to the December 8, 2017 settlement agreement, the Utilities were to monitor peak demand reduction demonstrations being tested elsewhere in New England and look for opportunities to incorporate technologies as appropriate for New Hampshire. Energy efficiency program administrators in Massachusetts and Connecticut have been undertaking demonstrations for peak demand reduction by means of customer load curtailment, and potential means of achieving peak demand reductions have been discussed at numerous meetings of the energy efficiency working groups established under the December 8, 2017 settlement agreement. In recognition of the available information and prior discussions, the Settling Parties agree that Eversource and Unitil shall work with commercial and/or industrial customers to implement in New Hampshire, demand response projects prior to the summer of 2019. Such participating customer(s) would be called upon by a utility to curtail load during predicted system peaks with the intent of determining the effectiveness of this approach in

reducing peak system load during critical periods, and the degree of peak load reduction that might be obtained through a broader program offering. Prior to implementation, Eversource and Unitil will make a filing with the Commission seeking program approval and describing the program in detail, including cost and savings estimates. Eversource and Unitil will report on the progress of such demonstration(s) at Docket No. DE 17-136 quarterly meetings.

Any funds not committed to the demand response demonstration, and not otherwise specifically accounted for above, shall be budgeted to the residential and commercial programs in the same manner as other available funding. Approximately five percent of the additional program funding will be allocated to Evaluation, Measurement and Verification (“EM&V”) funds in 2019 which will be used to cover the additional 2019 consultant costs described below in Section II.H.

C. Income Eligible Program Budgets and Spending

Responding to the recommendation and testimony of TWH, the Settling Parties agree that starting in 2018 any underspent funds in the income eligible program shall be carried over from one program year to the next. These funds shall remain in the future year budgets of the income eligible program and shall not be assigned to a different program. An underspend shall be calculated in the income eligible program for each utility based on the difference between the utility’s total budget for the income eligible program in a given program year and the actual dollars spent in the program in the same program year. Any such carry forwards shall not displace or reduce the funding for a subsequent program year’s budget. Rather, any carryforward of underspent funds shall be assigned to the income eligible program in addition to the budgeted amount (17% minimum) in 2019 and 2020, or other agreed upon program budget parameters in future triennium plans.

D. Lost Base Revenue and Performance Incentive

The Settling Parties agree that the Regulated Utilities shall implement the Lost Base Revenue (“LBR”) calculation as set out on page 18 of the August 29, 2018 report of the Lost Base Revenue Working Group established in the December 8, 2017 settlement agreement. More specifically, for 2019 that calculation will be:

2019

(2017 + 2018 Legacy Residential LBR kWh Savings * 2019 Residential ADR)
+ (2017 + 2018 Legacy C&I LBR kWh Savings * 2019 C&I [kWh + kW] ADR)
+ (2019 Installed Residential LBR kWh Savings * 2019 Residential ADR)
+ (2019 Installed C&I LBR kWh Savings * 2019 C&I kWh ADR)
+ (2019 Installed C&I LBR kW Savings * 2019 C&I kW ADR)

= 2019 Total Actual LBR

The Settling Parties also agree that the Utilities shall include in their annual report filings three additional summary presentations relating to LBR. Examples are shown on Attachments A, B, and C to this Agreement. The final documents for the 2019 Update Plan will be submitted as part of a final compliance filing for the 2019 Update Plan, not later than January 15, 2019. In June, 2019, the Regulated Utilities will provide an updated analysis of the impacts of demand ratchets on LBR, using the same format as used by each of the utilities in Appendix E to the August 29, 2018 LBR Working Group Report.

The Settling Parties further agree that the EM&V Working Group will include in the scope of the Large Business Energy Solutions program evaluation planned to commence in

2019³ an analysis of customer peak and end-use load shapes for use in calculating LBR associated with commercial and industrial demand charges.

Consistent with the December 8, 2017 settlement in this docket, the Performance Incentive calculation included in the Plan will remain as currently described and implemented and shall remain in effect for 2019. The Performance Incentive Working Group will continue its work into 2019 with the goal of completing its work by the end of June 2019. The Utilities shall consider for inclusion in the 2020 Plan Update the results of that Working Group, which will include a metric related to peak demand reduction. Any of the Settling Parties may make recommendations relating to Performance Incentives for the 2020 Plan Update in addition to any recommendations made by the Performance Incentive Working Group.

E. Eversource's Customer Engagement Platform ("CEP")

The Settling Parties understand that Eversource has begun efforts to increase participation in and use of the CEP and that increased use was shown in 2018. For 2019, Eversource shall continue to track its marketing efforts, including the direct marketing campaigns to promote the use of the CEP, and will provide an update of its marketing campaigns at Quarterly Meetings as appropriate. Eversource will continue its efforts to optimize the marketing efforts to drive additional traffic, achieve enhanced engagement, and increase participation in utility-administered energy efficiency programs. For 2019 Eversource will track CEP new users by month with a goal of increasing the number of new users by 50% over 2018. In 2019 Eversource will begin to track and report which customers use CEP and then move forward to participate in energy efficiency program offerings with the purpose of establishing a baseline for future goals. In the event that marketing efforts do not result in such increases, any

³ See the 2018 update of the New Hampshire Strategic Evaluation Plan, at https://www.puc.nh.gov/EESE%20Board/EERS_WG/2018-08-20-strategic-evaluation-plan-august.pdf

of the settling Parties may propose alternative strategies. Further, Eversource shall review for possible implementation additional functionality of the CEP including, but not necessarily limited to, further integration with the Green Button Connect My Data program, to the extent possible while maintaining customer privacy protections.

F. DE 17-136 Working Groups

The December 8, 2017 settlement created four working groups with differing goals and objectives, but with the overall intent of developing information that would inform future programs and planning. The Settling Parties agree on the below status and further activities for those working groups.

(1) The Performance Incentive Working Group was to review potential Performance Incentive calculation methodologies with the goals of promoting achievement of New Hampshire's EERS goals and making recommendations for adjusting the performance incentive calculation for implementation in the 2020 Plan Update. As described above in Section II.D., the activities of that working group will continue through the first half of 2019, with the intent of being completed in time to incorporate proposed methodologies, including a peak demand reduction metric, into the 2020 Plan Update. Consistent with the December 8, 2017 settlement, activity of the working group will include the continued study of a metric that could address potential barriers and disincentives to income eligible participation.

(2) The Financing and Funding Working Group was to explore additional potential funding and financing mechanisms and, if viable options were found, to work with the Utilities to test procurement strategies and make recommendations for incorporation in annual update filings and in the 2021-2023 Triennial Plan. Several elements identified by the working group have been incorporated into the 2019 Update. The Utilities indicated in the 2019 Plan Update, at

35, their intention to retain a consultant to assist with identifying funding sources. The Settling Parties agree that the Utilities will rigorously pursue retaining such consultant in early 2019. The Settling Parties agree that the Financing and Funding Working Group will continue with quarterly meetings of the working group in 2019.

(3) The Benefit Cost (“B/C”) Test Working Group was to discuss elements and issues related to New Hampshire’s Benefit Cost Test, as well as results from the New England Avoided Energy Supply Components (“AESC”) Study and to make recommendations for adjustments in future annual updates or three-year plans. The Settling Parties agree that the B/C Working Group will provide input to the NEI studies, and after completion of the NEI studies, will determine and recommend to the Settling Parties the appropriate NEIs to include in the next three-year plan for 2021-2023. The recommendation may also address whether additional studies of NEIs are needed in New Hampshire given the limited scope of the current NEI studies. The B/C Working Group will be the technical lead for two studies (Cost-Effectiveness Test Analysis and Energy Optimization) in 2019 (discussed in more detail below in Section II.G). The Settling Parties agree that upon the completion of the two studies and related discussions, and subject to the completion of any on-going studies relating to non-energy impacts and related discussions, the B/C Working Group will be discontinued.

(4) The LBR Working Group was to consider various issues including, kW savings in the Commercial and Industrial sector, the general impact to customer non-coincident peak, and the general impact of demand charge ratchets, with the intention that the recommendations of the working group be included in the 2019 Plan Update. The Settling Parties agree that the LBR Working Group has achieved its intended goals, and that the proposed changes from the

Utilities' 2019 Update Plan should be accepted. As a result, this Working Group will be discontinued.

G. Evaluation, Measurement & Verification (EM&V) and B/C Working Group

The 2018-2020 Plan established and defined an EM&V Framework including an EM&V Working Group. The EM&V Working Group will continue to coordinate studies and activities as identified in that Framework and according to the annual Strategic Evaluation Plan. For purposes of this Agreement, the Settling Parties agree to two additional studies that will begin in 2019 with administrative duties fulfilled by the EM&V Working Group and technical (i.e. non-administrative) management coordinated by the B/C Working Group in addition to current coordination between the two groups related to the NEI studies. The Settling Parties agree that close coordination between the EM&V Working Group and the B/C Working Group will be needed to ensure adequate stakeholder input on the identified policy issues.

(1) Cost-Effectiveness Test Analysis – In early 2019, the EM&V Working Group will solicit and hire a consultant to conduct a review of issues relating to the cost-effectiveness test for energy efficiency programs in accordance with the framework established in the National Standard Practice Manual (“NSPM”). The NSPM, and more specifically the Resource Value Framework, is intended to provide a standardized method for analyzing energy efficiency costs and benefits in light of state policy goals. The NSPM consultant will be charged with reviewing the application of such methods in New Hampshire. The consultant will be selected and managed by the EM&V Working Group. Discussions regarding stakeholder input to the NSPM review and its findings, as well as whether or how to incorporate those findings in New Hampshire, shall be undertaken in the B/C Working Group meetings. An express goal of the NSPM review is to have it completed by the end of the second quarter of 2019 so that its results

may be, to the extent reasonable, incorporated in the Potential Study (described below). The Settling Parties anticipate the B/C Working Group will submit a report to the Commission which will include recommendations for incorporation of any relevant findings from the NSPM review. The Settling Parties agree to cooperate in good faith to complete the work of the B/C Working Group and to seek a Commission decision on the recommendation of the B/C Working group for issuance in August 2019. No Settling Party shall be bound by the recommendations of the B/C Working Group and each Settling Party may make its own recommendations to the Commission concerning the findings of the NSPM review.

(2) Energy Optimization Study – In early 2019, the EM&V Working Group will solicit and hire a consultant to conduct a study on how energy optimization through fuel-switching is treated in cost-effectiveness testing and how impacts of such optimization are counted toward energy savings targets. The study will be based upon a literature review and secondary research of existing data and other sources of information with a view towards making the results applicable to New Hampshire. The consultant will be selected and managed by the EM&V Working Group, and discussions regarding the review and its findings, as well as whether or how to incorporate those findings, will be undertaken in the B/C Working Group meetings. An express goal of the Energy Optimization Study is to have it completed by the end of the second quarter of 2019 so that its results may be, to the extent reasonable, incorporated in the Potential Study (described below). Recommendations from the B/C Working Group related to the Energy Optimization Study shall be incorporated into the same report described for the Cost-Effectiveness Analysis above and shall be presented to the Commission in the same manner as the Cost-Effectiveness Analysis.

In addition to the two studies noted above, the EM&V Working Group has already included in its Strategic Evaluation Plan an Energy Efficiency Potential Study for New Hampshire. In early 2019, the EM&V Working Group will solicit and hire a consultant to conduct the Potential Study for New Hampshire. Prior to the solicitation of a consultant, the EM&V Working Group will provide stakeholders with general background information on potential studies and solicit input regarding the scope of the study. The EM&V Working Group shall work to incorporate input to the extent feasible with an express goal that the study be completed no later than the end of the first quarter of 2020 so that its results may be incorporated, to the degree reasonable, in the 2021-2023 Plan. During the course of the study, stakeholder input shall be provided as defined in the EM&V Framework described in the 2018-2020 Plan.

A chart depicting the expected timelines for the conduct and completion of the above-identified studies is included with this Agreement as Attachment D.

H. 2021-2023 Planning Process and Stakeholder Consultant

The Settling Parties acknowledge the need to establish appropriate goals for the next triennial plan covering 2021-2023. Moreover, the Settling Parties agree that a robust stakeholder process is an appropriate means for helping to establish such goals and to aid in the development and review of any plan(s) submitted to achieve those goals. Accordingly, the Settling Parties agree to the following for establishing the appropriate goals, and for guiding the development and review of any plans relating to the next triennial period.

In 2019, the Commission will solicit and hire a consultant to act as a technical consultant to Staff and all other non-utility stakeholders. As anticipated in the December 8, 2017 settlement agreement, stakeholders, including the consultant, will begin discussions in the fall of 2019

during meetings of the EERS Committee of the Energy Efficiency and Sustainable Energy Board, relating to (but not limited to) the following topics: a) policies relevant and applicable to the EERS; b) establishing appropriate goals (for example, kWh, kW, MMBTU, approach to income eligible programs, etc.) for the EERS plan covering the 2021-2023 period; c) the appropriate level of funding relating to the 2021-2023 Plan; and d) the appropriate program design and delivery models to achieve the stated goals, including ways to identify and address potential barriers and disincentives to serving the income eligible population. The Settling Parties agree to work in good faith through these discussions to reach consensus on the design of the 2021-2023 Plan. No party shall be precluded from raising any issue about the design and implementation of the 2021-2023 Plan in these discussions, including with respect to whether an independent party should administer the 2021-2023 statewide energy efficiency programs. The Settling Parties further agree that these discussions do not limit the positions that any of the Settling Parties may take in the review of the 2021-2023 Plan, which shall be filed no later than July 1, 2020.

An additional \$155,000 over 2019 and 2020 to supplement the \$95,000 budget supporting the Stakeholder Planning Consultant described in Section II.K of the December 8, 2017 settlement agreement in this docket, for a total funding over the next two years for the Stakeholder Planning Consultant of \$250,000, will be budgeted. After including this supplemental funding, one-third (\$83,333) will be allocated for use in 2019, and two-thirds (\$166,667) will be allocated for use in 2020. As with the original \$95,000, these funds will come from the EM&V Budget. The independent planning expert shall continue to provide advice and assistance to the EESE Board, its EERS Committee, the Settling Parties, and other stakeholders, as requested and appropriate, and shall be subject to the ultimate control of the

Commission. Following consultation with the EERS Committee of the EESE Board, the Commission shall issue a request for proposals (RFP) from potential consultants by March 15, 2019 and any committee convened by the Commission to evaluate RFP responses shall include at least one representative chosen by the EESE Board, subject to the limitations of state law.

The Settling Parties agree that the proposed 2021-2023 Plan will be filed on or by July 1, 2020.

I. 2020 Plan Update

In recognition of the efforts required around the development of the next triennial plan that will occur in later 2019, the Settling Parties agree that certain limitations regarding the review of the 2020 Plan Update are appropriate. Accordingly, the Settling Parties agree that the 2020 Plan Update should involve only limited changes. The 2020 Plan Update will include an updated budget based on:

- a) the estimated revenues for 2020 based on the original SBC rate proposed for 2020 in the 2018-2020 3-Year Plan and each Utility's updated 2020 forecast of sales;
- b) adjusted estimates of revenue from carry-over / carry-under, with any budgeted, unspent funds from the low-income program in 2018 carrying over into the low income program into 2020 as described in Section II.C;
- c) adjusted estimates of RGGI revenues;
- d) adjusted estimates of FCM revenues.

The 2020 Plan Update filing will consist of Attachments A, B, C, D, and E1-4 through J 1-5 (similar to the attachments to the 2019 Plan Update) as well as rates testimony. The Utilities will also provide updated B/C models, with any changes to assumptions or benefits calculations resulting from evaluation results and AESC updated values for current assumptions used in the

2019 Plan Update. Also, the 2020 Plan Update will include any changes to the PI formula based on consensus recommendations of the PI working group. All material changes will be described in Attachment A to the 2020 Plan Update. The 2020 Plan update will also include completed versions of the LBR templates attached to this settlement. In light of the efforts that will be expended in 2019 on planning for the 2021-2023 Energy Efficiency Plan, data requests related to the 2020 Plan Update will be limited to existing programs, budgets, revenues, savings targets and associated information and topics contained in the filing such as Performance Incentives.

This provision is not intended to limit the Settling Parties from discussing or implementing additional items in 2020 should they, by mutual agreement, conclude that additional changes are warranted.

J. Benefit/Cost Modeling Assumptions

The 2019 Plan Update includes assumptions about the applicability of certain updates from the 2018 AESC Study in the B/C model, including benefit estimates for energy, capacity, zone-on-zone (intrastate) demand reduction induced price effect (“DRIPE”), and other fuel costs. In addition, the 2018 AESC Study calculated new assumptions which the Settling Parties agree to include in the 2019 Plan Update. These new assumptions are the benefits associated with the pooled transmission facilities (PTF), intrastate (or zone-on-zone) oil DRIPE. In addition, the Settling Parties agree that the value of environmental benefits from fossil fuel savings shall be included as an avoided cost of the program, and will be a function of: (1) the amount of carbon emissions by fuel type; and (2) the value per ton of avoided carbon emissions associated with the Regional Greenhouse Gas Initiative (“RGGI”) auction estimates included in AESC 2018. With respect to the benefit relating to reliability, as estimated in the 2018 AESC Study, the Settling Parties agree that there is insufficient support for applying that benefit and the Utilities will

remove it from the calculation of program benefits. In addition, the Utilities agree to remove any benefits for local transmission and use only the PTF benefits calculated by the 2018 AESC Study.

With respect to income-eligible programs, the Utilities included in the 2019 Update Plan an additional 10% adder to the calculation of program benefits to account for NEIs specific to this customer group, above and beyond the 10% NEI adder applicable portfolio-wide. The Settling Parties agree that this additional 10% adder shall be incorporated in both the 2019 and 2020 plan updates and B/C models for income-eligible programs. The Settling Parties further agree that the 10% adder applied across the portfolio shall remain in place for the 2019 and 2020 program years. The Settling Parties agree that the results of the cross-cutting NEI study and the low-income NEI study included in the HEA evaluation will be considered for inclusion as part of the 2021-2023 Plan.

K. Miscellaneous

The Settling Parties agree to the following additional items:

(1) The Electric Utilities agree that, subject to obtaining appropriate and mutually acceptable protections for confidential materials, they will provide transmission and distribution cost information during the development of the next AESC study upon request. The goal of providing such information will be to aid in the development of marginal benefits related to delayed or avoided improvements to the transmission and distribution systems specific to New Hampshire. The Settling Parties agree that the Utilities will not be required to provide information beyond that requested by the AESC Study consultant.

(2) The Regulated Electric Utilities acknowledge that there are differences in their street light tariffs and in activities relating to the conversion of street lights in New Hampshire to high

efficiency technologies. The regulated Electric Utilities posit that the most appropriate venue for reviewing street lighting issues is within the context of individual utility rate cases. However, the regulated Electric Utilities agree that they will not object to an investigation relating to street lights should one be requested of, and subsequently initiated by, the Commission.

(3) The Utilities agree that they will work with the Staff to provide further transparency of the program by developing and providing a summary table of incentive measures and rebates available to customers under the NHSaves programs. This table will be posted to the NHSaves website. The Settling Parties acknowledge that there are instances, such as the case of custom measures for C&I customers, that the information on such a table may not reflect the actual values made available to customers, but that samples of custom incentives might assist in understanding options. Moreover, the Settling Parties acknowledge that incentives and rebates change over time. Therefore, the Utilities shall make reasonable efforts to update such summary table(s) and will post such updates on the NHSaves website quarterly, or more frequently as needed, and the table will be provided with the 2020 Plan Update. Prior to the first posting of any such table, the Utilities and Staff will review a draft to discuss functionality and any potential complications and to make a final determination on whether posting of such a table will provide the desired outcome.

(4) The Utilities agree to investigate other opportunities for demand reductions, including through review of available information relating to controllable domestic hot water measures, or other measures.

(5) The Regulated Utilities agree to undertake a bill impact analysis, including rate impacts, bill impacts and participant impacts, similar to the analysis provided by National Grid in its Rhode Island energy efficiency plan updates. To the extent that the Regulated Utilities need

additional information and analysis, not available internally, to conduct this analysis, they may contract with a consultant, who shall be subject to the oversight of the EM&V Working Group, to provide such additional resources.

(6) The Utilities will work with Staff to develop a detailed summary of the Benefit/Cost Test modeling assumptions used in developing the 2019 Plan Update. The Utilities will provide the same summary for the 2020 Plan Update, including an explanation of any assumptions that changed in 2020.

L. Non-Wires Alternatives

The Settling Parties agree that the potential for non-wires alternatives to defer or avoid distribution system investments is a matter worthy of examination in the future. Accordingly, the Settling Parties agree that non-wires alternatives will not be reviewed in the context of the 2019 or 2020 Plan Updates, but that they may be reviewed as part of utility rate case proceedings, Least Cost Integrated Resource Planning (“LCIRP”) proceedings, grid modernization proceedings, or in dockets dedicated to reviewing specific non-wires alternative proposals. To further this objective, the Regulated Electric Utilities agree that as part of each company’s next LCIRP filing they will provide a “grid needs assessment” consistent with the one described on page 17 of the November 19, 2018 Settlement Agreement in Docket No. DE 17-189.

M. General Provisions

The Settling Parties agree that all testimony and supporting documentation may be admitted as full exhibits for purposes of consideration of this Agreement. Agreement to admit all direct testimony without challenge does not constitute agreement by the Settling Parties that the content of the written testimony filed on behalf of the other Parties is accurate nor is it

indicative of 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 Agreement, the Settling Parties agree 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 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 Agreement is expressly conditioned upon the Commission's acceptance of all of its provisions without change or condition. All terms are interdependent, and each Settling Party's agreement to each individual term is dependent upon all Settling Parties' agreement with all of the terms. If such complete acceptance is not granted by the Commission, or if acceptance is conditioned in any way, the Settling Parties shall have the opportunity to amend or terminate this Settlement Agreement or to seek reconsideration of the Commission's decision or condition. If this Settlement Agreement is terminated, it shall be deemed to be withdrawn and shall 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 agree to support approval of this Agreement before the Commission. The Settling Parties agree that they shall not oppose this Settlement Agreement before any regulatory agencies or courts before which this matter is brought, but shall take all such action as is necessary to secure approval and implementation of the provisions of this Settlement Agreement.


The Commission's acceptance of this 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 believe, the provisions set forth herein are

just and reasonable. The discussions which have produced this 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 have caused this Agreement to be duly executed in their respective names by their agents, each being fully authorized to do so on behalf of their principal.

[SIGNATURES FOLLOW ON NEXT PAGE(S)]

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.
D/B/A LIBERTY UTILITIES

By:  FOR
Michael Sheehan, Esq.
Senior Counsel


Date: December 13, 2018

NEW HAMPSHIRE ELECTRIC COOPERATIVE

By: _____
Mark W. Dean, Esq.

Date: _____

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY

By: 
Matthew Fossum, Esq.
Senior Counsel

Date: December 13, 2018

UNITIL ENERGY SYSTEMS, INC.

By: _____
Patrick H. Taylor, Esq.
Senior Counsel

Date: _____

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
D/B/A LIBERTY UTILITIES

By:  FOR
Michael Sheehan, Esq.
Senior Counsel

Date: December 13, 2018

NORTHERN UTILITIES, INC.

By: _____
Patrick H. Taylor, Esq.
Senior Counsel

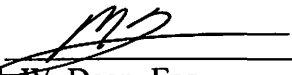
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LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.
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Date: _____

NEW HAMPSHIRE ELECTRIC COOPERATIVE

By:  _____
Mark W. Dean, Esq.

Date: 12/13/18

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY

By: _____
Matthew Fossum, Esq.
Senior Counsel

Date: _____

UNITIL ENERGY SYSTEMS, INC.

By: _____
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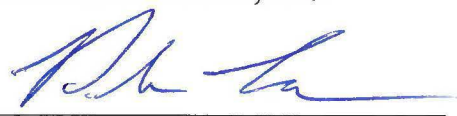
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NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION STAFF

By: Paul B. Dexter
Paul Dexter, Esq.
Staff Attorney

Date: 12/13/18

OFFICE OF CONSUMER ADVOCATE

By: _____
D. Maurice Kreis, Esq.
Consumer Advocate

Date: _____

DEPARTMENT OF ENVIRONMENTAL SERVICES

By: _____
Rebecca Ohler
Administrator, Technical Services Bureau

Date: _____

THE WAY HOME

By: _____
New Hampshire Legal Assistance
Raymond Burke, Esq.
Stephen Tower, Esq.

Date: _____

CONSERVATION LAW FOUNDATION

By: _____
Melissa Birchard, Esq.
Senior Attorney

Date: _____

ACADIA CENTER

By: _____
Ellen Hawes
Senior Policy Analyst

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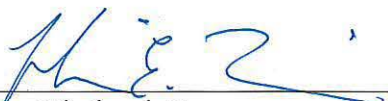
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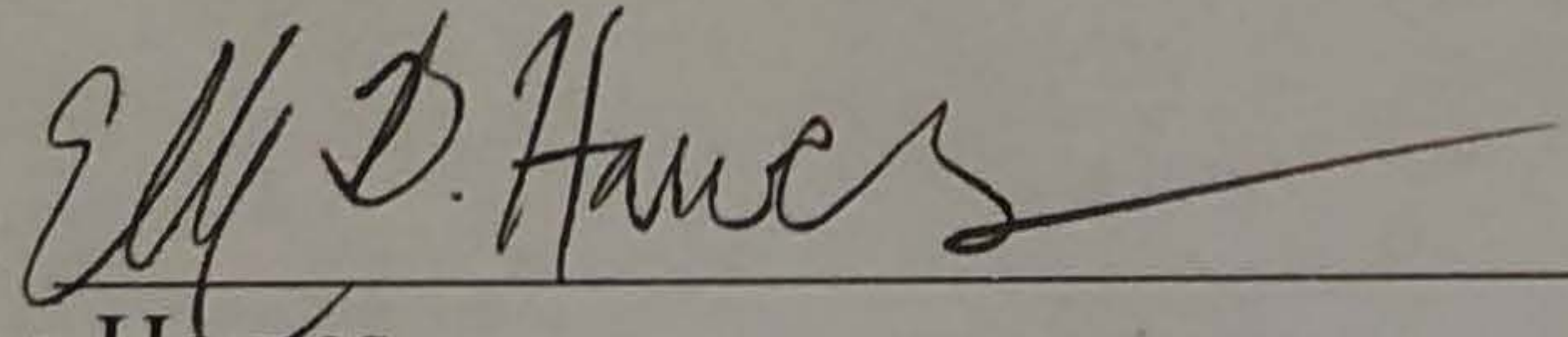
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NEW HAMPSHIRE SUSTAINABLE ENERGY ASSOCIATION

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By: 
Madeleine Mineau
Executive Director

Date: 12/13/18