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August 6, 2020

Via Electronic Mail Only

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Re: Docket No. DE 17-136; 2018-2020 New Hampshire Statewide Energy Efficiency Plan

Request to Transfer \$500,000 in 2019 Carryover Funds to 2020 On-Bill Financing Program

Dear Ms. Howland:

On December 31, 2018, the Commission issued Order No. 26,207 in the above docket approving a settlement agreement relating to the implementation of the 2019 Update to the Energy Efficiency Resource Standard. In that document's Table 6.1: 2019, Capital for On-Bill Financing, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities was approved to add \$150,000 of 2017 Carryover funds to our Electric Energy Efficiency On-Bill Financing Program. This letter requests approval to transfer \$500,000 of our 2019 Carryover funds to the same financing program. This will raise the total pool of funds in the On-Bill Financing (OBF) program to \$953,000.

This request for additional funds will allow Liberty to expand the OBF offerings for residential, commercial, and industrial customers for the remainder of 2020. The economic slowdown caused by the Covid-19 pandemic has increased customers' requests for OBF. Customers are asking for energy efficiency improvements as ways to save on their electric bill, but do not want to take on additional debt with their bank and to have to pay an interest expense. A large part of the increased demand is from our small business and municipal customers. They see the zero percent OBF as an opportunity to invest in energy efficiency improvements while their operations are relatively slow. In the case of municipalities and schools they see the financing as a way to make a quick investment in energy efficiency while offices and schools are closed, outside of their annual budgeting process. Without an increase in our OBF fund balance we will not be able to serve our customers' current level of requests.

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OBF allows Liberty to develop some momentum with customers and contractors regarding energy efficiency projects as they work to restart their portion of the economy. We believe this financing is a better alternative in the long term than simply raising our project incentive levels. As the financing is paid back the funds will come back to the OBF program and we can invest it in future projects.

Liberty will utilize \$500,000 of its \$1,278,420.62 carry forward fund balance from 2019 (Table 5. Revenue and Expense Balance) to add to its balance for the OBF program. As of the 2020 First Quarter Report, the OBF program had an available balance of \$307,568.12. We expect the Second Quarter Report to have an available balance of approximately \$168,000. We project, based on current customer requests, to have an end of Third Quarter available balance of a negative \$410,000. Adding \$500,000 for OBF loans will allow Liberty to serve more customers through the program.

Please contact me if there are any questions about this request.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Sheehan", written in a cursive style.

Michael J. Sheehan

Cc: Service List