

NEW HAMPSHIRE



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ENERGY EFFICIENCY AND SUSTAINABLE ENERGY BOARD

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**New Hampshire Energy Efficiency and Sustainable Energy Board
Strategic Planning Session
July 10, 2009
Manchester, New Hampshire**

Summary of Flip Chart Notes¹

I. BARRIERS – Major categories:

1. Energy pricing
2. High first costs
3. Access to capital
4. Split incentives
5. Institutional disincentives
6. Customer confidence (including access to information and high transaction costs)
7. Customer complexity

II. TOOLS/STRATEGIES – major categories:

1. State policy
2. Regulatory process
3. Codes & standards
4. Workforce & infrastructure
5. Education & awareness
6. Effective advocacy
7. Research, development, & demonstration (RD&D)

III. GROUP DISCUSSION AND REFLECTION

(Not ranked or presented in any order of priority or importance)

Energy Pricing and Costs

- Current energy pricing is a huge barrier to expanded EE and SE markets, from many dimensions. Fossil fuel prices may be artificially low, and not truly reflective of

¹ This document is a companion document to the Power Point presentation entitled *New Hampshire Energy Efficiency and Sustainable Energy Board, Strategic Planning Session Results, July 10, 2009*. The Power Point identifies potential policy, regulatory, and other actions the EESE Board brainstormed and articulated during the planning session. This document identifies aspects of discussion during the planning session not summarized in the Power Point, as reflected on Flip Charts by the Meeting Facilitators.

societal and environmental costs. This indirectly results in EE and SE costs/prices appearing high compared to conventional approaches. SE pricing for project developers (thru rebate and incentives programs, RECs, ACPs, etc.) vary from state to state, and come and go based on policy whims. Accuracy and continuity are key to ensuring sustained orderly market development over the short- and long-term.

- Is one answer to raise the price of conventional energy and let the market figure it out from there? If that approach is taken, how does one deal with those who are disadvantaged by such price increases? Plus, is it realistic to think any politician will advocate for raising conventional energy prices to stimulate EE and SE? Instead, might a progressive carbon tax be one way to address this?
- When developing EE and SE programs and initiatives, how can the full value and societal benefits of those investments be appreciated including (but not only) the kWh savings (or offsets from traditional fuels)?
- When designing EE and SE programs and offerings, how do we capture, value, and consider under a least cost planning approach the multiple economic attributes of increased EE and SE? Should such initiatives be “fuel blind”?

Consumer Education and Market Complexity

- Consumers are confused; they receive competing and conflicting technology-specific information from vendors, and they need a technology- and vendor-neutral unbiased source of information on EE and SE in order to make informed decisions. An independent, third party, non-profit entity could be one mechanism for achieving that. A state-level energy authority with a consumer education and outreach component could be another.
- But if customer confusion is a key barrier to EE and SE market development, why would public investment/subsidy thru more government programs be an effective way to transform the market? What is an appropriate balance between “free” market and government programs to help move the market?
- Is there an assumption being made that consumers are acting irrationally? And that more government programs are the answer?

Ability to Pay and Access to Capital and/or Financing

- Consumers need financing and other mechanisms to afford EE and SE, and initiatives are needed that ensure low income consumers are served as well.
- Low income/affordable housing represent about 1/5th of all housing in NH. Improving residential EE must address this portion of the building stock, if deep and aggressive EE goals are to be met.
- When consumers are undertaking renovation and repair projects that are initially not EE focused but provide a great opportunity to upgrade insulation, etc. while the renovation and repair is underway, what more could be done to help consumers accept the increased upfront cost and additional complexity of expanding the project to also address EE, even if they didn't begin thinking of the project as an EE project?

Policy, Regulatory, and Program Design Issues

- Potential program, policy, and regulatory strategies should include a “carrot and stick” approach as a way to stimulate increased EE and SE, and include mandatory targets, measurement, and verification. Such initiatives should be designed to be self-sustaining and continuous.
- Does a policy dilemma get created if state and/or local tax exemptions are offered for EE and/or SE? Does that shift the tax burden unfairly to those who are not pursuing EE and/or SE?

Workforce and Infrastructure

- More home energy raters are needed as well as training, mentoring, licensing, and evaluation.

“Overarching” Issues

- Land use policy has dramatic impacts on energy consumption – thru sprawl, water resource management, transportation requirements, locations of schools and municipal services, etc. How might NH address this connection in the future?
- Many (or all?) of these barriers interact, and those interactions (and the impact of those interactions) should be considered in the future.

IV. WHAT SHOULD THE EESE BOARD DO IN THE FUTURE?

(Results of the brainstorming session not prioritized or presented in any order of important or priority.)

Possible EESE Board Roles

- Further identify and clarify the roles of the EESE Board, and distinguish them from other entities, such as the Climate Change Collaborative.
- Use the EESE Board as a mechanism for achieving new and increased collaboration among related (but currently separate) entities. Through increased coordination and collaboration, seek and move towards common goals with a shared focus and momentum.
- Ensure the EESE Board has statutory authority for recommending actions and legislation to increase EE and SE in NH.
- Push the envelope thru the EESE Board’s work and “don’t just settle for what is politically expedient.”
- Include land use issues and transportation at a high level in EESE Board work, and seek gubernatorial attention to and action on these issues as they relate to energy.

Possible EESE Board Actions

- Create a “bold vision” for EE and SE in the state and articulate that vision in a way that speaks to the culture and character of the state (i.e. independence, Yankee frugality, use of local resources, etc.) Drawing upon various state-level RPS, Climate Change, economic development, and jobs creation goals, quantify the annual progress that would need to be made to realize the larger and ambitious

long-term goals, and develop an integrated EE and SE plan for realizing the goals. Research, identify, and vet specific actions to achieve the goals and identify roles for the public and private sectors. Enable a public process that ensures stakeholder ownership in the plan, which results in political support the plan, and which begins the pathway to successful implementation.

- As part of the EESE Board's annual reporting requirements, establish annual goals (drawing upon the strategic plan above), quantify specific annual targets, implement initiatives to meet the targets, and measure progress towards those targets.
- Seek opportunities to achieve greater synchronicity across agencies and jurisdictions, and ensure Executive, Legislative, and Regulatory policies "are rowing in the same direction."

Context for EESE Board Possible Roles and Actions

- Need to remember Act 28 A and the fact that the State can't mandate towns to do things, without providing the funding.
- Need to recognize and integrate existing core programs run by utilities already.