

Minutes
Energy Efficiency and Sustainable Energy Board
Hearing Room A - NH PUC, 9 AM - 12 PM
January 8, 2010 Meeting

*Items underlined and in color are hyperlinked to documents.

Members in Attendance: Richard Ober of NH Charitable Foundation, Jack Ruderman of NHPUC, Stephen Eckberg and Meredith Hatfield of the OCA, Eric Steltzer of NH OEP, Mike Fitzgerald for Robert Scott of DES, Alan Linder for Daniel Feltes of NHLA, Roy Duddy of DRED, Susan Olsen of NH Local Government, Ken Walsh of the NH Fire Marshal's Office, Wes Golomb of NH SEA, Michael Licata and Patti Carrier for NH BIA, Dick Henry of the Jordan Institute, Karen Rantamaki, State Energy Manager, Beth Fischer for Brian Wujcik of Build Green NH, Senator Martha Fuller Clark, Representative Jim Garrity, and Ben Frost for Dean Christon of NH Housing & Finance.

Non-Voting Members in Attendance: Gil Gelineau of PSNH, John Puc of National Grid, Janet Brewer of Ocean Bank, George Gantz for Cindy Carroll from Unutil Energy Systems, and Charlie Niebling of New England Wood Pellet.

LINK TO MEETING AGENDA: [MEETING AGENDA](#)

1. Welcome & Introduction, Chair's Remarks

Chairman Ober convened the meeting at 9:04 A.M.; he welcomed everyone to the meeting and asked everyone in the room to introduce themselves. {Introductions followed}.

2. APPROVAL OF [NOVEMBER 20, 2009 MEETING MINUTES](#)

Chairman Ober asked for a motion to approve the 11-20-09 minutes. Rep. Jim Garrity moved to adopt the minutes. The motion was seconded by Eric Steltzer. There were no edits and the minutes were unanimously approved.

3. UPDATES

Eric Steltzer updated the EESE Board on the status of the State's ARRA Funding.

Energy Efficiency and Conservation Block Grant Program: TRC Solutions has been chosen as the grant administrator of this program through the RFP solicitation. An application will be solicited today to municipalities in the State for energy efficiency improvement purposes. Municipalities should submit a letter of intent by 1/15/2010. Although the letter of intent is not required, it is encouraged. Grant winners will be announced by early March 2010. The application will be on the OEP website and distributed through the OEP service list.

Technical Assistance RFP closed at end of November. The interview process was completed in December and the winning proposal has been selected and will be going to the Governor & Council meeting in February or March.

The Appliance Rebate Program has been approved and should be finalized at the Governor & Council meeting in February or March. The program should be available to consumers around April 2010. Some of the appliances covered by the program are: heating systems, boilers, furnaces, and hot water heaters. The program will also include solar thermal products and will expand rebates already offered by utilities through the energy star program to all residents within the state, not just electric utility ratepayers.

Weatherization: The figures from the end of December show that 325 units have been weatherized and 300 more are in progress. The goal is a bit behind from where they want to be but they are confident that will change once OEP staffing is ramped up. He also noted that more money was being spent per unit than was allowed previously. \$6,500 is the maximum amount allowed per unit at this time. Dana Nute from the CAP Agencies stated that approximately \$4,000 was being spent per unit weatherized. Additionally, 20% of this budget is allocated for high level training.

The program allows for \$23 million to be used over 3 years with a minimum goal of 2600 units to be weatherized. OEP is striving for 3000 units.

State Energy Program: There are a total of 16 contracts. 3 contracts were approved at the December G&C meeting:

1. \$3.5 million for an enterprise energy fund available as loans for businesses targeted for energy auditing, monitoring, etc.

2. \$1.2 million for the University System of NH for energy efficiency upgrades to Plymouth State College, Keene State College and UNH Durham.
3. \$600,000 to GDS Associates for the development of a building code compliance program.

Kate Peters - Beacon Communities: The application went into the Dept. of Energy on December 14th. She commended OEP and the work group (Charitable Foundation, Jordan Institute, Community Loan Fund, Community Development Finance Authority, PSNH, and NH Electric Coop) for all of its work in getting the application coordinated and submitted and then handed out a [Summary & Abstract of the NH Beacon Communities Project](#). She noted that the communities chosen for the project were Berlin, Nashua and Plymouth, NH. Grant announcements are expected in March. The grant requested \$20 million.

She noted that there is still a lot of work to do in developing exactly how this project is going to work. She thanked Senator Shaheen's office for its support and assistance throughout the process.

Jack Ruderman - Greenhouse Gas Emissions Reduction Fund: An auction was held in December. \$4 million has been the average auction earnings but this auction produced only \$2.9 million due to the price of carbon allowances coming down, reduced demand for electric generation, etc. By end of this month we will have approx \$4.5 million of cash flow on hand.

GHGERF Projections - By the end of 2010 there should be approximately \$10 million on hand assuming that auction prices stay low. Quarterly reports of winning proposals have been filed and are on the PUC [website](#). Reports will continue to be posted on the website quarterly. Feedback and scoring on previously submitted grant proposals are available upon request.

Stacey Doll - Energy and Climate Collaborative: Presented [slides](#) updating the board on the collaborative's purpose and progress and how the work of the EESE board fits into its charge. Slides included topics such as: The Collaborative's responsibility, implementing partners, goals of the Collaborative, next steps, and contact information. The next meeting of the Collaborative is Thursday, January 14th in the NH DOT conference room. There will be a Climate Action Plan overview from 1-2 PM and the full Collaborative meeting

will be held from 2-5 PM. More information can be found at www.nhcollaborative.org.

Kate Peters - The Governors from the 10 RGGI states and PA signed a Memorandum of Understanding allowing the states to work together regarding [low carbon fuel standards](#) and their economic analyses. Additionally they are all expressly committed to a broad stakeholder process, etc. The MOU can be found [here](#).

DISCUSSION: RENEWABLE ENERGY FUND

Jack Ruderman and Clifton Below - 200 applications have been received requesting approximately \$1.3 in funding, to date. The next step is the creation of additional programs, such as a solar hot water program. The current challenge that the PUC is facing is determining which new programs to create with such limited funding. Last July, the Renewable Energy Fund received approximately \$4 million in proceeds but this year, the PUC has no idea how much to expect and data is showing drastic fluctuations in other states, leading them to believe that it will be much less. Also, the PUC wants to try to address the uncertainty of funding into the REF. Rep. Jacki Cali-Pitts' House Bill 1573 is currently in the legislature and would allow for approximately \$2 million to be transferred into the renewable energy fund if that amount is not reached ever year. The PUC hopes that this will provide some sort of predictability in the future funding. Jack and Clifton then asked for input from the board regarding the specifics noted in the [memo](#) distributed by Jack Ruderman prior to the meeting.

Some suggestions offered by members are listed below:

Gil Gelineau - Competitive bidding is effective but relatively difficult to implement unless the projects are all very similar. He also noted that this opens the door to market transformation.

Dick Henry - We have to have a cost benefit (rebate) cut-off on the high end which is technologically indifferent, possibly even correlated to market prices. You don't want to give preferential treatment to certain technologies.

Rep. Jim Garrity - We need to solve the thermal problem more effectively than the electricity problem by stretching the most dollars.

Beth Fischer - Advocated for consistency with all programs so that consumers are not wading through all different sources of information. Need to focus on the low-hanging fruit and make it clear that consumers realize that this is an opportunity not an entitlement and that some costs may need to be paid for up front or cost-shared.

Wes Golomb - There are standardized ways of looking at market transformation. Verification and measurement is extremely important. If we don't do the measurement before, then we don't have a way to measure the benefits after.

Charlie Niebling - Fuel and technology neutrality is extremely important. Do not pick winners, but focus on the desired outcomes. Use the least taxpayer and ratepayer expense, which will provide the cost benefit and ultimately pull the support and funding away from a project once it can exist on its own in the future.

Alan Linder - As a principle, be careful not to set this up so that certain customer classes are inadvertently excluded.

Eric Steltzer - It is important to pick winners using specific parameters and variables and it's important not to confuse and frustrate consumers. Have a timeline incorporated in order to look at market structures.

Ken Walsh - Limit new programs so not to stifle existing programs. It is very important to measure, because of the amount of money that we are dealing with.

Roy Duddy - NH needs the flexibility to adapt to new technologies as they become available.

John Puc - Audits are important because many times an audit will bring about different more cost effective ways of continuing projects.

Heidi Kroll - RPS is not only intended to promote new renewables but to also maintain existing renewables. So, if there weren't enough RECS in all 4 classes, then the fund could be used to support existing technologies in these 4 classes, such as hydro. HB1270 encourages the Commission to issue an RFP by 8/2010 in order to allow other projects not specifically applicable to one of the 4 RPS classes to enter into the pipeline by way of a competitive bid process. She urged the PUC to be careful not to shut projects out of the process.

Julia Dunderf - NH Carbon Challenge is a good way to help with the measurement and verification problem. She urged the Commission to encourage people to create individual and community carbon offsets.

Bob King - Urged the Commission to encourage the legislators to raise the percentages allocated to this fund sooner rather than later.

Michael Licata - The business community is frustrated that they are paying into this fund and not getting the full benefit so equity per customer class is very important.

Karim Bebawi from Nexamp - Hopes that the commercial sector programs are expanded in NH. He also noted that being technology agnostic and cost-effective is sometimes in conflict. Requiring an energy audit in the Commercial sector in MA has worked very well and many times the customers have been more likely to voluntarily cost share.

Jack and Clifton noted that once an Order of Notice was issued then there would be technical sessions and public comment sessions held with Commission Staff. Comments can also be forwarded directly to [Jack Ruderman](#).

Chairman Ober called a short break at 10:57. The meeting reconvened at 11:07

[2010-2011 WORK PLAN](#)

CHAIRMAN OBER reviewed the work plan and asked for a motion to approve the Plan with the exception of the 'Goals' section. Beth Fischer moved to adopt the plan and the motion was seconded by Mike Fitzgerald.

Substantive changes were suggested by Alan Linder: In the Visions section, add a 7th bullet including that "the percentage of low income homes to receive energy efficiency services be "50%." The rationale is to serve 3,000 low income homes per year for a total of 45,000 homes over 15 years (by 2025)". Beth Fischer agreed that the low income population needs to be specifically represented and George Gantz recommended removing the notation of a specific percentage and just noting that specific consideration has been given to the low income populations.

Alan Linder requested that the following bullet be added under the 'Program Priorities' section: Explore ways to expand and grow the low income program to achieve the low income goal set forth in the 7th

bullet in Section 2 "Vision." He also commented regarding the 'Beacon Communities' section noting that there was a need to clarify the phrase "Social Equity" and whether should include a low income component? If so, he suggested that perhaps a slightly longer phrase could be substituted for "Social Equity" in order to avoid confusion down the line.

Since there was still discussion on the 'findings' and 'visions' sections of the Plan, Chairman Ober asked for a motion to approve only pages 5-12 of the plan, approving the 5 priorities of the plan so that the subcommittees can begin their work. The motion was moved and Senator Fuller Clark seconded the motion. The motion was unanimously approved subject to wordsmithing and the previous edits requested by Alan Linder at the meeting.

Chairman Ober handed out a [sub-committee roster](#) that he had prepared and asked members and interested parties to notify the chair of a specific committee, if they would like to join.

2010 LEGISLATION

Meredith Hatfield handed out a [list](#) comprised of potential bills of interest to the EESE board.

Senator Fuller Clark went through some specific bills and tried to prioritize the bills that would be most significant to the board.

[SB323](#) - relative to the EESE Board, the Greenhouse Gas Emissions Reduction Fund (GHGERF) and the Renewable Energy Fund (REF). She noted that the board's input and recommendations regarding a possible statutory energy efficiency program was requested. The bill also tries to clarify whether the EESE Board could receive funds from the GHGERF.

[SB300](#) - relative to the systems benefit charge. This bill tries to address the 7,000+ households currently on the waiting list for Electric Assistance. Over an 18 month period, \$5 million would need to be shifted to support these households. She noted that there was discussion regarding possibly raising the SBC by \$.18 per month in order to help cover this cost or possibly supplementing the funds with funds from the GHGERF. There was an informational public session on 1-7-10. The committee took a hypothetical straw poll and unanimously agreed that this bill should be passed as is, immediately.

Beth Fischer noted that she and HBRANH believe that the passage of this bill would create a slippery slope of funding being used for non-energy efficiency measures, which were not the intended purpose of the fund.

Wes Golomb made a motion for the EESE board to formally advocate for finding other means to support the low income community in a way which does not deter from energy efficiency. The motion was seconded by Mike Fitzgerald.

Alan Linder noted his opposition to the motion to oppose SB300. He noted that the needy, and many times homeless community, need help immediately and that there is no way that an alternative funding source will be found prior the passage of this bill so that these people can be helped.

Michael Licata strongly urged that the CORE programs not be gutted, especially for business purposes, and try to find alternative resolutions at the hearing for this bill on Tuesday.

Charlie Niebling and George Gantz noted that although they were not voting members, they advised against taking a position on this issue.

Beth Fischer noted that she has no problem withdrawing the motion but that the board needs to take a strong position advocating for energy efficiency and that it should not be faulted for taking a position on this important energy issue since there is so much at stake. Wes Golomb wondered if perhaps an amendment should be put in so that the SBC be raised to cover the passage of this bill in order to not hinder energy efficiency mechanisms.

Dick Henry noted that we will have this same problem next year and that we need to find a more elegant solution rather than raiding these funds when we are presented with these difficult situations.

Eric Steltzer expressed his concerns of going before the legislature with a split vote.

Ultimately, Beth Fischer and Wes Golomb withdrew the motion originally presented.

Mike Fitzgerald noted that since there are now 2 bills in place to use GHGERF funds for alternate purposes, it is important to set a precedent now so not to open this fund up to uses other than its intended purpose in the future.

George Gantz urged the board to start up a Financial work group as soon as possible in order to address these issues as soon as possible since many funding sources, such as ARRA funding, will be gone but we will still need to continue our efforts into the future.

Clifton Below handed out some [potential PUC amendments to the language of HB 1573](#), relative to the GHGERF and REF and noted that if people were interested in this issue then it could be discussed in more detail at another time.

The following bills were also flagged as being important to this board: [HB1377](#) relative to permitting utilities to establish loan programs for owners of residential and business property engaging in renewable energy and energy efficiency projects, [HB1554](#) allowing municipalities to establish energy efficiency and clean energy districts, [HB1626](#) requiring the licensing of building energy auditor, [HB1353](#), relative to group net energy metering, [HB1688](#) relative to the regulation of the installation and operation of boiler and pressure vessels, and HB1471 requiring the board of home inspectors to adopt rules developing documents relative to home energy audits and energy efficiency for home buyers and relative to continuing education for home inspectors.

Due to time restraints, the bills were quickly reviewed and summarized and a brief discussion ensued.

OTHER

GIL GELINEAU AND CHRIS SKOGLUND presented slides providing the board with an update of the work of the goals subcommittee. The slides can be found [here](#). The slides included topics such as: Emissions reduction goals, what we need to do, what it will take for buildings, goals by sector and next steps.

There being no other business to come before the board, Chairman Ober adjourned the meeting at 1:01 p.m.

The next meeting of the ESSE board is scheduled for Friday, February 12, 2010 from 9 A.M - 2 P.M in Hearing Room A (NH PUC).

All subsequent meetings will be held on the 2nd Friday of the month at the PUC.