

Minutes
Energy Efficiency and Sustainable Energy Board
Hearing Room A, NH PUC, 9 AM – 12:30 PM
June 11, 2010 Meeting

*Items underlined and in color are hyperlinked to documents.

Members in Attendance: Richard Ober of NH Charitable Foundation, Jack Ruderman of NHPUC, Meredith Hatfield of the OCA, Eric Steltzer of NH OEP, Robert Scott of DES, Alan Linder for Daniel Feltes of NHLA, Wes Golomb of NH SEA, , Dick Henry of the Jordan Institute, Beth Fischer for HBRANH/Build Green NH, Ben Frost for Dean Christon of NH Housing & Finance, Bob Reals, Jr. for Roy Duddy of NH DRED, Rep. David Borden, Representative Robert Introne for Representative Jim Garrity, Karen Rantamaki, State Energy Manager, Don Carpia for Ken Walsh of NH State Fire Marshalls Office and Senator Martha Fuller Clark.

Non-Voting Members in Attendance: Gil Gelineau of PSNH, Kelly Cota of National Grid, Carol Woods for Ray Gosney of the NH Electric Cooperative, Charlie Niebling of New England Wood Pellet, Kathy Beliveau for Jim Grady of Lightec, Inc., and George Gantz from Unitil Energy Systems.

Link to Meeting Agenda: [MEETING AGENDA](#)

1. WELCOME & INTRODUCTION, CHAIR'S REMARKS

Chairman Ober convened the meeting at 9:05 A.M.; he welcomed everyone to the meeting and asked everyone in the room to introduce themselves. {Introductions followed}.

2. APPROVAL OF MAY 14, 2010 MEETING MINUTES

Chairman Ober asked for a motion to approve the 5-14-10 minutes. Jack Ruderman moved to adopt the minutes. The motion was seconded by Representative Borden. The minutes were unanimously approved.

3. SB 323 STUDY: DISCUSSION

[SB323](#)

Chairman Ober Senate Bill 323 ([hyperlink here to Bill 323](#)) is the first order of business. The interim report is due November 1, 2010 and the final report is due November 1, 2011.

Legislation charges that the EESE Board will collaborate with the PUC to develop the report and make recommendations to the Legislature.

- Chairman Ober reported he is appointing a work group to work directly with PUC staff and to report regularly to the full board.

We should note that the actual contract and the decision of selecting the consultant will be the Public Utilities Commission, but, with close advice and recommendations of the Work Group representing the EESE Board.

The Work Group will work closely with PUC Staff to oversee the work of the consultants, review drafts and report back to the EESE Board. This would be at our monthly meetings and at key intervals, as needed.

This process is going to need to be moved along fairly quickly. The time line will look something like this: between now and the July 9th EESE Board meeting, the Work Group will need to meet to develop the scope of the studies. The work group and the Public Utilities Commission will need to bring the scope to the July 9th EESE Board Meeting to be reviewed and commented on. Over the following month a draft RFP would need to be written and then brought to the August 13th EESE Board meeting for discussion. Again, the ultimate decision will be the PUC's. It will be likely that the RFP will be released in mid-August with a consultant selected by mid-September. The goal would be to have all of this done by the time the interim report is due on November 1st.

Members from the Public Utilities Commission are Commissioner Below, Jack Ruderman and Tom Frantz. EESE Board work group members are Dan Feltes, NH Legal Assistance, George Gantz, Unitil, Gil Gelineau, PSNH, Meredith Hatfield, Consumer Advocate, Mike Licata, BIA, Joanne Morin, OEP and Deborah Schachter, NHCF/Chairman's delegate. Take note that the Chairman has appointed two members from the public sector, two from the non-profit sector, two utilities and one general business representative.

The Chairman also charged the Work Group with electing a Chairman.

4. BEACON COMMUNITIES/RETROFIT RAMP-UP GRANT

Chairman Ober began this discussion by describing briefly the concept of Beacon Communities. The Beacon Communities grew out of a Work Group of the EESE Board about a year ago. The idea is that even as we work increase EE and SE activities in every community across the state, it would be very useful to have demonstration communities that really go deep -- to "hyper-invest technical assistance and financial assistance. To get the concept moving, a coalition of organizations from the EESE Board and others worked with the Office of Energy and Planning to submit a \$20 million request to the US Department of Energy for a Retrofit Ramp-Up Program grant. The result was a \$10 million grant to support the work in three pilot communities: Berlin, Nashua, and Plymouth. .

The EESE Board Beacon Communing Steering Committee includes EESE Board members and other players that will be convening over the next couple of months. An implementation group for the retrofit ramp-up grant is already meeting at the offices of OEP.

Eric Steltzer explained that the retrofit ramp-up program creates new, innovative financing mechanisms, communications, and technical assistance to encourage building retrofits in the three communities. He presented an overview of the program, timeline for implementation, and an organizational chart. (Hyperlink these documents) OEP will provide oversight and will hire a full-time project manager. The Community Development Finance Authority will be the principal contractor and will have field offices in all three communities. The Department of Energy is impressed with the level of collaboration. Steering committees are being formed in each of the three communities. Much of the specific activity will be determined by the communities themselves in the coming months. It is expected that implementation will be fully under in the fall.

Dick Ober acknowledged the partners who have worked on this program and also the implementation of the program.

The partners are: from OEP, Eric Steltzer and Joanne Morin; CDFA, Kathy Shields; Jordan Institute, Dick Henry; PSNH, Terry Large; NHEC, Ray Gosney; Community Loan Fund, Rick Minard and from the Governor's Office, Kate Peters. Those are the players who came together last fall to take the idea of the Beacon Communities and put it into the grant proposal as a one phase in seeking communities for retrofit ramp-up.

Beth Fischer wanted to know if they have identified how much money will be used per home for the retrofit? Has that work been done?

Eric Steltzer noted that there has been some work done but the number hasn't been established.

Ben Frost Recognizes that this is a step transformation in the market, but would encourage direct contact as well with lending institutes, i.e., banks.

Dick Henry noted the importance of working closely with the CAPs to integrate low-income weatherization as appropriate. He also pointed out the importance of the loan loss reserve and PACE legislation in providing sufficient financing from different sources, depending on individual needs. Finally, he pointed out that the terms of this grant is to leverage 5-1; when we look at the amount of funding that's available here, over the six year period, we are hoping to do about \$50 Million worth of work.

Representative Borden asked if they have an opportunity to go beyond the Beacon Communities project.

Dick Henry stated that we need to keep this distinction between the Beacon Community concept which came out of the EESE Board which will eventually apply to all of the communities in the State. The retrofit ramp-up grant is initially geared towards those three, with the intent of spreading it further through mentoring relationships. There is already a number of communities outside of the retrofit ramp-up that definitely want to go ahead with PACE.

Beth Fischer – regarding multi-family; is there a specific focus on trying to go after or focusing on Section 8 subsidies and working with those owners, whether they be PHA or something else? Maybe focus on ways to work with them?

Eric Steltzer emphasized that it is a community driven program. So, the question about which buildings and how it will look like is going to be part of that conversation with the communities

Beth Fischer says she would encourage them to really look at that piece of it because you can get a lot of bang for your buck.

Dick Henry – The purpose of the retrofit ramp-up was to tackle a specific geographical area within each community and to do as many or all of those buildings within that geographical area. In each of the communities it is believed there is a range of buildings which does include multi-family housing.

Dick Ober – Emphasized that this program will look for the leadership on that on the local level. This really isn't a program that the State's going to design and thrust down on the communities; it's going to be a partnership.

Scott Albert – This is an excellent concept. With regard to multi-family homes, there are about 10-14 multi-family areas in Nashua that are excited about this concept. They've been unable to find funding and are hoping that there is an umbrella to provide for this and it's not just to provide for a select few.

Dick Ober –The point is to bring all of those resources there in a concentrated way and develop some real momentum and energy and show some work on the ground. Of course it's three years in these three communities. You'll never do that without tapping into all of the private vendors, private financiers, and contractors. The partners you see at this table have developed this new resource and funding stream in order just to spark a greater amount of leverage into the private sector.

Dick Henry – Absolutely. We have the challenge of 5-1 leverage. There's no way this can be done without everyone's help and all the other technical groups, the utilities, the USDA, on and on; we have to maximize everybody's participation in this. We want the leadership to come from the individual communities.

Eric Steltzer – One other point to that is the intent, as far as the actual ground work that is being done in these buildings. We do that straight from the get-go from our proposal, it is supposed to be decentralized. It is supposed to be stimulating the small businesses within. There is not one entity that is going to be chosen to do all the auditing work or all the contracting work. There will be qualifications to be part of the program, here is how you can apply to help to do that work within those communities.

Natalie Hilt – What do you see as the role of the Community Director?

Eric Steltzer – The Community Director's job is to take the advisement from the group and to look at models from outside of the State as well.

Natalie Hilt – On a project by project basis, how do you know [how] that stages?

Eric Steltzer – The idea here is that the technical assistant within those communities can help to navigate the individuals through the program and through the resources that are available and to answer any questions.

Mary Downes – Regarding the Recovery Act, are there any strings attached and how will you be able to ensure that the federal requirements are met?

Eric Steltzer – The requirements are going to be strict. It is underneath the Energy Efficiency Conservation block grant programs, so a lot of the requirements that are put upon the broader programs are going to come under this program. Buy American will apply for those jobs that are within public buildings. We are waiting on guidance regarding Davis Bacon.

Dick Ober –If this works it will only work because that kind of shared energy and momentum and friendly competition and sharing a common goal in these neighborhoods and communities really start to take hold.

Megan Hoye – Are there venues set up for private companies and will there be requirements set up to be put out to bid?

Eric Steltzer – To answer the first question, this is a community driven program. We are working to set up these community meetings. Our vision is that they will be in front of a Board of Selectmen, some council, will be televised and will be open to the public. So, those vendors that are working within the community are interested in this, can participate through that process of sharing their perspective of how they would like that program to work for their communities. So, there will be opportunities for the private sectors to help structure it in a way that will meet the needs for the communities.

To the second point, specifically there are two open fields, one is for marketing consultants and one is for monitoring and verification consultant. Those ideas are certainly going to be open. When it comes down to the local residents choosing a vendor that they would like to work with, it's still being developed, but the idea is that we don't want to dictate too much about how they should choose a vendor. We have some resources to suggest vendors to them but who they ultimately choose is up to them.

Dick Ober – Again, this is about building demand and access to financing within these communities which means there is more work for everyone.

Dick Henry – I would like to make two points, one is the 5 to 1 leverage and if we can do better than that, DOE would be happy. Second is the Greenhouse Gas reductions and that is what DOE is looking for. So, if you, as a vendor, come in with something to do with Greenhouse Gases that will be very much in your favor.

Chris Skoglund – Along the lines of the Beacon Communities ramp-up, how can we get the C&I from 3000 to 45,000 in 2024?

Dick Henry – I believe this is the goal of the retrofit ramp-up and why it lined up so nicely with the EESE Board's adoption of the Climate Action Plan's goals for buildings -- It is a deep retrofit emphasis so that we would have actual examples with buildings that did have a 50% reduction.

Send any questions regarding this to Eric Steltzer at Eric.Steltzer@nh.gov

There were two documents that Eric distributed and they are as follows:

One was the Timeline

<http://www.puc.nh.gov/EESE%20Board/20100611Mtg/Timeline%20Prog%20Elements%206-9-10.pdf>

The other was the Organizational Chart

<http://www.puc.nh.gov/EESE%20Board/20100611Mtg/Organizational%20Charts%206-9-10.pdf>

INTEGRATED MUNICIPAL SERVICE

Representative Borden first yielded a couple minutes of his time to Christa Koehler of Clean Air-Cool Planet so she could mention the upcoming Local Energy Solutions Conference on June 19th in Concord. Also, a draft copy of "Municipal Energy in NH" is nearly ready, which is written by Chris Skoglund of DES.

<http://www.puc.nh.gov/EESE%20Board/UpcomingEventsAndSeminars/LES%20Conf%206-19-10%20Flyer.pdf>

Representative Borden – During the municipal meeting the committee feels strongly that there are two goals that they should focus on. Those goals are to rebuild the economy in the state and to create jobs. They also would like to see the state be energy independent. Energy seems to be an obvious and easiest way to generate jobs. Our little part of the puzzle is to figure out ways for the municipalities to work on ways for the same triangle. At the top of the demand portion is the understanding of energy efficiency and renewable energy and this is an enormous challenge. The money is really very complicated. We will probably have to focus on this in the next couple of meetings. Getting the flow of cash into the municipalities to help just the Town Hall is just so much more complicated than one would expect. There is such a tightly restrictive process in raising money. There are major challenges in just fixing the Town Hall.

Representative Borden asked the board to consider formally adopting the goals of the Municipal Energy Services committee. (Hyperlink) Chairman Ober asked the members to review the goals in anticipation of a discussion and vote at the July board meeting.

Discussed statute.

<http://www.puc.nh.gov/EESE%20Board/20100611Mtg/Integrated%20Municipal%20Energy%20Services%20Committee%20Goals.pdf>

Representative Borden thanked committee members and especially Chris Skoglund.

If anyone has any comments or suggestions, that would be very helpful.
davidborden@aol.com

C. OUTREACH AND EDUCATION SEE MEREDITH'S NOTES FOR THIS SECTION.

Meredith Hatfield – Beth Fischer and Meredith are the Co-Chairs of the Outreach and Education Committee. The Committee met on June 1st as a follow up to the May EESE Board meeting regarding developing a comprehensive integrated communications and outreach plan. . We had 17 people participate and 24 people on the email list. The group settled on a one day planning session with a group of people that represents the EESE Board with different interests. There are also participants from the Energy and Climate Collaborative and other people who are not affiliated with either organization.

During the first planning session one of the first items we intend to focus on is EE & RE in buildings. We really want to develop something that will be used by others. We want a modular approach so that we have an over-arching way that we talk about energy and can communicate with people. The difference is that people who are working under that can use what we develop and tailor it to them.

One of the things is to find time to keep track of everything that is going on and we need to figure out how to connect everything together because there are resources that our committee doesn't have. For example, we just heard that there will be a key piece of the Beacon Communities in there around arrangement and education. We need to pause and talk to the Beacon people to make sure we are on the right track.

Beth Fischer –The interest of this particular program is to be sure that we have something sooner rather than later. We also need to be sure to invite all to participate.

Meredith Hatfield – Our next meeting is June 16th at the Home Builders at noon and will be a brown bag lunch. We will also have dial in capabilities.

Dick Ober – This is a reminder that these are formal meetings and members of the EESE Board may show up.

Beth Fischer – They are also open to the public as well and it is encouraged for people show up.

Amy Ignatius – There will be a meeting on June 17th from 10-12:30 in Littleton regarding the North Country Transmission Commission. OEP has money available to help the North Country achieve more renewable energy. A group known as KEMA has been selected as the consultants for this project.

KEMA will also be monitoring an evening public session at the Whitefield High School with a presentation on June 24th.

A short discussion regarding the North Country Transmission Commission followed.

Chairman Ober called a short break at 10:30 a.m. The meeting reconvened at 10:54 a.m.

6. HOW IS STATE GOVERNMENT PURSUING EE?

Interagency Energy Efficiency Committee: Karen Rantamaki and Mary Downes – Gave a presentation on Interagency Energy Efficiency.

<http://www.puc.nh.gov/EESE%20Board/20100611Mtg/Presentation%20on%20IEEC.pdf>

The topics discussed were:

- Committee Goals, Status and Current Priorities
- IEEC Members
- Roles
- Accomplishments
- IEEC Subgroups
- Review of GLA Goals

Discussions followed the presentation.

Charlie Niebling-When are we going to move from a framework of “if we have money, if the budget allows, etc.” to actually doing something concrete?

Sen. Fuller-Clarke-Mandate language is not viable in this legislative session

Dick Henry-Suggestion to have state capon energy use with each department receiving a CO2 allowance

Question/Comment-Data centers within DOiT which run at a 5% utilization rate?

Rep. Read- Small visible renewable energy projects at state sites-what is the potential for this?

Mary Downes-Part of ARRA funds will be used for these types of projects. There is a solar hot water project at the NH hospital that will provide that facility with 30% of its hot water needs.

Question-Is there a policy for renewable energy project siting on state lands, parks, etc?

Answer-The state needs guidance on this and an over-arching policy—maybe include this in the potential study. Bob Scott chaired a commission that looked at siting renewable energy, but it wasn't specific to state land.

7. FUNDING UPDATES

A. GREENHOUSE GAS EMISSIONS REDUCTION FUND – JACK RUDERMAN

Jack Ruderman The Legislature is transferring \$3.1 Million from the Greenhouse Gas Reduction Fund to the General Fund to help balance the state budget. Currently the fund has about \$640,000 in unobligated funds. There are sufficient additional, obligated funds to honor all of the existing grant commitments. When the current RFP was issued the Commission assumed the New Hampshire's share of the next four RGGI auctions would bring in somewhere between \$2.5 to 3.2 Million per auction. If the funds come in as projected, we will have a pool of funds in the range of \$10 to \$12 Million, minus the \$3.1 Million transferred to the General Fund. This means we may have as much as \$8 or \$9 Million in funds that can be awarded in the current grant round.

Senator Fuller-Clark – Wanted to mention that she has put comments into the record to clarify the intent of the legislature.

Meredith Hatfield – Asked Jack whether awards be delayed because we won't have the funds on hand?

Jack Ruderman – Yes. We will probably look at any and all options. The two most obvious ones being either:

- a) we just award less money; or
- b) we find a way to award essentially the same amount of funding but defer some of the awards until additional funding is available.

Representative Introne – I just want to clarify that right now you have \$600,000 uncommitted funds?

Jack Ruderman There is \$640,000 of unobligated funds, but that is not our cash balance. Our cash balance is in the neighborhood of \$5 Million; but of that \$5 Million, everything but the \$640,000 is going to go out the door to honor the grant awards that were made in 2009.

Commissioner Below – Reported on the second quarter carbon allowance auction. Of the allowances sold we averaged \$1.88 per allowance which is about two cents above the reserve price. The revenue to New Hampshire from this auction is \$2,957,000. This is the eighth auction and the demand for allowances is 1.3 times the supply. In previous auctions the demand ranged from 2.3 to 4 times the supply, so the demand is down.

Charlie Neibling – We should be concerned about the diversion of RGGI funds because of the precedent.

Beth Fischer – We need to make a better argument that these dollars are producing results. We need to promote and applaud all that happens and ensure that it is known that all of this would not have been possible without RGGI dollars.

Mike Fitzgerald – It is obvious that there are tough choices, but this should come from the utilities, recipients, etc. and not just from around this table. Promises were made to the people and the money is not being used for what it was promised to be used for.

Dick Ober – At the next board meeting we'll talk about this, identify the big questions. Several people have been suggesting the path that this is the place that we need to have early conversations about strengthening policies; an incubator for ideas. The summer is really the time for that to happen so I would encourage some of the questions be related to the future and the sustainability of this fund and other things to be thinking about them and bring them to the table in July.

Alan Linder – This Board means leadership and at the next meeting we as a board should record our concerns over what has happened.

Dick Ober – We have not only the ability to do that, but we have a responsibility to make policy recommendations to the Legislature. I would encourage any member of the Board to bring forward policy recommendations, with enough advance warning for review before meetings. I would also encourage that to happen sooner rather than later because some of our organizations before voting on such things might have their own internal process on whether they can vote on things.

Natalie Hilt – New Hampshire isn't alone in bridging budget gaps. In Connecticut 35% of the SBC funds over the next 8 years have been taken for budget gaps. There needs to be more call for action for protecting funds dedicated to renewable energy and RGGI.

Dick Ober – There are three different channels toward engaging such discussion:

- 1.) 323 study – one of the four things this does is the effectiveness and sustainability of all funds available to cumulative investments, energy efficiency and clean energy.
- 2.) The on-going effort to share the tangible results of RGGI grants, especially jobs created and money saved
- 3.) Hopefully starting at the next EESE Board meeting we will have a discussion to add some values on preparing for upcoming Legislative sessions and how RGGI is put into context with other funding.

Jack Ruderman – Here is a little bit more of an update on the current RFP; the closing date for those proposals was June 1st. We received 29 proposals. The breakdown is; 6 in Category I, which is program continuation; 17 for Category II, which focuses on large end users; 4 in Category III, which is affordable housing; plus 2 which did not state which category the application was supposed to be in. We have a review committee that has already met a few times. There is a two level review process. The initial level is done at the staff level; there is myself, Barbara Bernstein, Joanne Morin of OEP and Becky Ohler from DES. We will do an initial review, make recommendations on the proposals and send them on to the Commissioners who will then take a look at them and make decisions about who would receive awards and how the funding will be allocated. We are trying to move forward on this as quickly as possible.

B. RENEWABLE ENERGY FUND – JACK RUDERMAN

Jack Ruderman – The residential solar hot water rebate program was launched about six weeks ago. So far we have had 21 applications; 18 or 19 of them have already received Step 1 approval which means the project is approved. The home-owner has the go-ahead to do the installation and then once it has been completed they file a step 2 form with us and the rebate check is issued. So far we have seen a turn-around time of 5 or 6 days. Most of the proposals that have come in are just for the medium sized systems. The average rebate amount for the first batch is \$1,185.

We announced our new residential wood pellet heating system rebate at the Bioheat (Heating the Northeast) conference that Charlie and others organized last month in Manchester. Barbara Bernstein announced for the first time publically that we are going forward with the program and the response was very enthusiastic. The funding source for this program is coming from OEP in the form of federal stimulus funds earmarked for appliance rebates. Other states exhausted their funds on rebates for refrigerators, dishwashers, washing machines, etc., but New Hampshire took a different approach. Laura Richardson of OEP deserves the credit for the idea; she saw the need to go beyond the conventional programs and see what we could do to help transform the market for residential wood pellet furnaces/boilers. This program is almost at the launching stage. We are just tweaking the final applications and should have the program up and running in the next couple of weeks.

The third program is the Commercial and Industrial program. We are working on it and we're looking at a number of different scenarios and technologies, but our plan is to have that program up and running by the end of the summer.

It's a busy time but we are seeing really good success with the rebate programs.

Dick Ober – Asked Jack to prepare a summary of recommendations from the EESE board on the RGGI and REF funds, from the 2009 annual report and meeting discussions where Jack has sought input, and report on whether the PUC has acted on them. A brief, detailed discussion was held.

Any further questions please send to [Jack](#)

C. ARRA FUNDING – JOANNE MORIN

Joanne Morin – We are moving forward with the retrofit ramp-up project. TRC is working on contracts with the cities and towns.

The major area to discuss is the State Energy Program. We have had DOE in the office for almost a month. The first week focused on weatherization. The second week was retrofit ramp-up and the third week was audits of the State Energy Programs.

The program manager is extremely impressed with the programs and the kind of programs that we have. Our ideas are innovative and we received good reviews.

There is one area of concern and that is in regard to staff and administrative efforts. There is not enough staff to do all of the work.

Concurrent to the \$3.1 million transfer from RGGI, OEP has determined that roughly similar amount of ARRA funding be directed to the Business Enterprise program (CDFA). These funds were initially intended for the first-time homebuyer program and other residential programs that proved unworkable given the Davis Bacon requirement under ARRA

A brief and detailed discussion followed.

8. FOR JULY MEETING: ANNUAL PLANNING SESSION

- 1.) Dick Ober – The next meeting is on July 9th. The board will review the initial plans of the 323 Work Group, vote on proposed goals of the Municipal Energy Services Committee, review briefly the activity in program developments and funding over the past few years, and identify strategic questions for the board to grapple with in the coming year.

UPDATES/ANNOUNCEMENTS:

1. CHP CONFERENCE ON AUGUST 9, 2010
2. REPOWER AMERICA MEETING ON 6/24 6:30PM AT UNH MANCHESTER (TARGETED AT BUSINESS COMMUNITY)
3. NHSEA SUSTAINABLE LIVING SERIES AT SQUAM LAKE CENTER JULY-AUGUST.
4. PAREI BIKE TOUR OF BAKER RIVER VALLEY ON JULY 10, 2010.

The next meeting of the EESE Board will be held on July 9, 2010. All subsequent meetings will be held on the 2nd Friday of the month at the PUC, unless otherwise noticed.

There being no other business to come before the board, Chairman Ober adjourned the meeting at 12:33 p.m.
