

**Minutes**  
**Energy Efficiency and Sustainable Energy Board**  
**Hearing Room A, NH PUC, 9 AM – 12:30 PM**  
**July 9, 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, Joanne Morin for Eric Steltzer of NH OEP, Robert Scott of DES, Alan Linder for Daniel Feltes of NHLA, Wes Golomb of NH SEA, Beth Fischer for HBRANH/Build Green NH, Ben Frost for Dean Christon of NH Housing & Finance, Bob Reals, Jr. of NH DRED, Rep. David Borden, Representative Jim Garrity, Mike Licata, OF BIA, Karen Rantamaki, State Energy Manager, Ken Walsh of NH State Fire Marshalls Office and Greg Whitman for Senator Martha Fuller Clark.

Non-Voting Members in Attendance: Gil Gelineau of PSNH, Jim Grady of Lightec, Inc., and George Gantz from Unitil Energy Systems.

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

**1. WELCOME & INTRODUCTION, CHAIR'S REMARKS**

Jack Ruderman convened the meeting at 9:07 A.M. for Chairman Ober; he welcomed everyone to the meeting and asked everyone in the room to introduce themselves. {Introductions followed}.

**2. APPROVAL OF JUNE 11, 2010 MEETING MINUTES**

Jack Ruderman asked for a motion to approve the 6-11-10 minutes. Meredith Hatfield moved to adopt the minutes. The motion was seconded by Ken Walsh. The minutes were unanimously approved.

**3. SB 323 Study: Discussion**

[SB323](#)

Meredith Hatfield – The committee met on June 28 and discussed how to draft the RFP and what it should contain. The committee will be meeting three more times before the next EESE Board meeting in August.

The goal is to have a draft of the RFP to the Board and ultimately, the committee would like to issue the RFP after the EESE Board meeting, then giving responders one month to respond. There is an interim report due to the Legislature on November 1 and the committee is hoping to have a contractor on Board by then.

Jack Ruderman – The next discussion was going to be the resolution on RGGI funds, however postponement until the Chairman arrived and then went to the next topic.

**4. MUNICIPAL ENERGY SERVICES WORK GROUP – Adoption of Goals**

Representative Borden – [Draft goals](#) – Hoping to get an agreement on the goals. The first goal would like to reduce municipal fossil fuel consumption by 50% by 2025.

**Jim Grady** – Going to be a tough goal to meet. The larger municipalities that are closer to Nashua and Manchester are using Natural Gas. There's a lot of carbon and the ones up north are using propane and are using a lot of wood. Suggest looking at total energy reductions because the buildings seem to be very electricity dominated and definitely not heating dominated. You're measuring yourself against a relatively small fraction of carbon reduction. You'll have better results if you open it to total energy usage.

**Representative Borden** – Your suggestion is to reduce total energy reduction by 50%?

**Jim Grady** – Not necessarily 50%; but if you could reduce total energy reduction by 30% that would be achievable.

**Representative Borden** – Under the so-called secondary; insulate the municipal energy budget from price volatility in the global energy market.

Second, ensure that critical government services will continue in the event of shorter long-term energy supply disruptions.

Three, stimulate local economic development through job creation in the energy field and reinvestment in avoided energy costs.

The others may be policies.

**Jack Ruderman** – We should go through them because we don't want to endorse them without at least going through them.

**Representative Borden** – Very often a town will have a master plan that doesn't have anything to do with energy or they'll build a brand new public safety building that is not very energy efficient. Integration of energy efficiency and sustainable energy in all municipal business practices, capital projects, capital expenses, budget and planning, municipal building maintenance; ingrates the adoption of energy efficiency.

**Jack Ruderman** – Regarding the lead in sentence; you might want to expand on the municipal business practices. It appears more than just business practices; something broader would be better.

**Representative Borden** – Fleets; there are hybrid police vehicles that do not need as much idling time.

**Representative Garrity** – These are goals, not mandates, correct?

**Representative Borden** – Correct.

**Representative Garrity** – We need to remember this.

**Ben Frost** – The point requirements are important. Anytime there is a suggestion that we are going to mandate something, we will need to defend that position.

**George Gantz** – Is the suggestion that the specific goals are not solid and that they may change over time? We should approve the top portion of this document and not the goals at the bottom.

**Representative Borden** – Yes. These are likely to change and as we move towards these goals, that need may go away. The over-arching vision will not change. We should change the wording if it is confusing.

**Ben Frost** – Have we looked at investment policies; i.e., the NH Municipal Bond Bank? Can this institution be used as a lever point to drive municipal decision making in the construction of capital; i.e., deep retrofitting town halls?

**Representative Borden** – We did not discuss that. Second, provision of the clearing house and tool kit to serve municipalities. Energy efficiency and sustainable energy procurement, including statewide database of municipal energy consumption, financial auctions eliminating barriers to access financial tools through the advanced energy efficiency leveraged stimulus funds for sustainable financing, creating awareness of availability of resources.

**George Gantz** – Is it worth having a specific reference here about PACE Legislation as one of the tools available for leveraging?

**Representative Borden** – We could mention it. There are a number of different mechanisms that are being explored.

**George Gantz** – One place says leveraged stimulus funds for sustainable financing. Maybe that sub-bullet could be expanded to say other leveraging opportunities, such as PACE, leasing arrangements?

**Mike Fitzgerald** – PACE would be an action and could be added as a separate goal as encouraging municipalities to adopt PACE. The adoption of PACE should be a higher goal because it is very important. The EESE Board goal should be to get all municipalities to adopt PACE.

**Representative Borden** – As a bullet point, how should it read?

**Mike Fitzgerald** – Add as maybe a fifth bullet, under the generalized heading of; Actions the Municipalities Can Take to Decrease Overall Energy Consumption Within Their Locality. And, that would be the adoption of PACE.

**Bob Scott** – One minor comment on where it says, “leveraged stimulus funds for sustainable financings.” Stimulus funds have a narrow time frame, so, maybe say public funds?

**Jack Ruderman** – Maybe they should say “all funds,” broaden the horizon?

**Representative Borden** – Identification of policies and programs that are needed to overcome specific obstacles that discourage widespread adoption of energy efficiency and renewable/sustainable energy practices. Identify and recommend a state policy to break down barriers in municipal energy efficiency. Develop and recommend incentives for municipal energy efficiency and sustainable energy.

I would like to summarize a couple of other things going on. Had a meeting with the Local Energy Group and a couple of things came up during the meeting. There are 234 towns that last year a road map was set up to include doing an inventory of existing consumption, doing some strategic thinking at the municipal level and doing audits of all the buildings. 48 towns received special assistance from RGGI funds through Clean-Air-Cool Planet. Those towns received really good help from specialists and almost all have completed their inventories.

There are three towns allocated for special funding through the Beacon Community projects. There are two entities who are working under our funding. One is TRC Systems who is working with the block grants. The other is CLF Ventures and they are doing the technical assistance and guidance to the other towns that are not included in the 48.

The overall challenge is going to be getting the work done within the time frame given. We will have to go directly to the towns because they just don't understand. There is approximately \$1000 per town for consulting, and that's not a lot of money.

Meredith Hatfield – Are you leveraging into the LECs that exist so that members of the Local Energy Committee could supplement that consulting resource?

Representative Borden – They will but it will take time. CFL Ventures has a big job in front of them.

Dick Ober – At a future Board meeting we will have someone from Clean Air-Cool Planet and CLF Ventures come in and discuss how they are working. Maybe in August or September? This will be a reminder for us on what you set out to do.

Representative Borden – There are a couple other challenges. We are not getting the inventory information easily from the utilities. Audits are very challenging and what are the levels in audits? There are not really any clear standards in audits. There is also confusion about funds going into towns and part of it has to do with the cycle that municipalities have to go through; having to go to town meeting to allocate any money.

There are a number of things that we need to explore; one is lease purchased. We are hoping to have a meeting on the 29<sup>th</sup> around 2:00 with a number of people who are involved with lease purchased.

## 5. OUTREACH AND EDUCATION

Beth Fischer – We are currently busy and our next meeting will be the 14<sup>th</sup>. We requested at the last meeting that the participants provide the top five names that they felt should be considered for the listening session to be held on September 8<sup>th</sup> at PSNH. This is a day-long event facilitated by Clean Air-Cool Planet. The discussion will center around what we need to do to get consumers on board, what the plan should look like, and put the plan together and look at the sectors. There were 59 names submitted and around 15 to 20 will be selected. We want to make sure that we balance the sectors.

## 5. RESOLUTION ON RGGI FUNDS

Dick Ober – Would like to have an open discussion amongst the Board on this.

Allan Linder – [Proposed Resolution](#) – There are two parts to the bill that resulted in a transfer of funds from the RGGI fund to the General Fund. The first part is that \$3.1 Million be transferred for 2010, but there is also a second part. Under dedicated funds for fiscal year June 30, 2011, the Governor is authorized to identify an amount of up to \$4.2 Million of dedicated funds to transfer to the General Fund/ There is a potential for future funds to be directed to the General Fund and this could be any funds.

Second, the law, [RSA 612](#) states all funds are State funds except dedicated funds. There is a list of these funds and on is the RGGI fund. A dedicated fund must be spent for a specific program.

The RGGI statute, [RSA 125-O](#); it establishes the fund and the funds are supposed to fund energy efficient programs to reduce Greenhouse Gas within the State. It ends with “these funds shall not be transferred or used for any other purpose.”

Dick Ober – Asks that a motion be made to begin discussions. Meredith Hatfield moved with Representative Garrity seconding the motion. Floor is open.

Jim Grady – It would be helpful if people from the industries would meet with the Legislators and tell them how they are destroying what RGGI is supposed to be for. The industries can show what has been done with RGGI grants. These RGGI funds are leveraging huge amounts of cost reductions for towns. The industries should be willing to go into detail and communicate this with the Legislature.

Greg Whitman (For Senator Martha Fuller-Clark) – the Senator does support the resolution. The transfer of funds was meant to balance the budget until the end of June. There is an intention to replace that money as soon as the Federal Budget on Medicare comes in.

George Gantz – It is the understanding that New Hampshire is undergoing an audit. New Hampshire is one of the first states to use the mechanism of finding a way to use the Medicare funds for general purposes. It is now being audited and there is a risk that this is going to stop the mechanism being used. This is big money for the state and this may just be the tip of the iceberg. We are not seeing this wave of financial difficulties getting any easier in the next couple of years.

Beth Fischer – The State should hold up to its promises. We were warned that this would happen, that the RGGI fund would be raided. Somehow we have to tell the Legislature to keep their hands off these dollars. Whatever process we take, this just cannot stand. The strongest language in Attorney Linder’s resolution followed up by actions by each of us in the room. Regrets.

Meredith Hatfield – In the first paragraph, are you arguing for the word “regrets?”

Beth Fischer – Yes. I chose “regrets” and thinks “negatively.”

Meredith Hatfield – One thing missing is that the ratepayer creates this fund through electric rates. Are people open to inserting language in the first paragraph, after dedicated funds, that could read something like; “paid by electric ratepayers through rates”?

Dick Ober – any objections to that?

Gil Gelineau – No problem with the resolution, however there is a similar problem and that is with the systems benefit charge. There is more money in that then there is with this problem. When you start talking about electric utility customers are paying for this, they are also paying for the systems benefits charge. So, if we bring up what customers are paying for, it brings up this whole other side.

Dick Ober – Reminder that the transfer of money from the SBC is the instigator for SB 323 and the comprehensive study. Major focus of SB 323 is how are these funds being used? We’re

talking SBC, REF & RGGI all in SB 323. We have the sustainability of those funds through the SB 323 study process and then the recommendations. We have the obligation to come back with formal recommendations to the Legislature on how to ensure the sustainability of those funds.

Joanne Morin – Wants to make sure that everyone understands that the payback of RGGI money is medicade/medicare funds and not stimulus funding. It's not the \$3.1 Million of stimulus that was reallocated into the Business Fund. That would be illegal. It could get really confusing in your minds that at the same time they took the RGGI funds and at the same time reallocating our State Energy programs by putting more money into our business funding. They are not tied.

Mike Licata – Supports the language. To Gil's point about this isn't just RGGI; would not have a problem expanding the language in terms of, it's going to be RPS, Systems Benefits Charge, RGGI; there is a whole host of programs that the door is wide open on. It is going to be a much more difficult budget next year, so the EESE Board would be appropriate to say these are the reasons, program, etc. and the reason why people pay into these funds. We need to make it very clear on where the Board stands. It may not be an appropriate addendum to this and this may not be the time, but it needs to be done.

Dick Ober – Whether we chose to do this now, we have other venues. We have our annual report; we file our obligations to make policy recommendations at least annually to the Legislature. Also, the longer term, how do we use the 323 process to create more effective, better protected funds?

Meredith Hatfield – It might make sense in the resolved paragraph to make it less focused on RGGI. Instead of sites specific to RGGI fund just put on that other bit so that it is a broader statement regarding energy efficiency.

Bob Scott – It is important in the resolution part, based on economic analysis, that we allude to the fact that this acknowledgment is important. Get State agencies involved.

Meredith Hatfield – “It is the recommendation of the EESE Board that all current and future funds dedicated to energy efficiency and sustainable energy be used solely for the purpose for which they are intended.”

Dick Ober – Is everyone good with this?

Bob Reals – We need to make sure Allan is ok with this. We have three resolutions talking about all three funds, then, specifically include references to the RSA.

Meredith Hatfield - We could do “including but not limited to” and do the statutory site.

Allan Linder – It would be helpful to do both so that the resolution itself traps the preceding but also includes the broader.

The first two paragraphs were read by Dick Ober and the final paragraph was read by Meredith Hatfield which was the paragraph she wrote up. Dick Ober stated that the resolution would get typed up and distributed to the Board.

Representative Garrity – Recommended that the resolution be submitted now to the current legislators and then after November maybe submit the same resolution to the new legislators.

Dick Ober – Took a vote on the resolution and all were yeses with three abstaining. The three were, Joanne Morin for Eric Steltzer, Jack Ruderman and Bob Scott.

Break began at 10:30 and resumed at 10:52

Dick Ober – Returned to an earlier discussion; Representative Borden pointed out that he would like a vote on the recommendations of the Municipal Services Committee on the top half of the document.

Representative Borden – Primary and Secondary would be helpful to have a vote on.

Meredith Hatfield – Are the representatives of municipalities and/or the Municipal Association engaged in this group?

Representative Borden - Yes. If you combine the two groups as we have been doing, the Local Government Center and the Municipal Association representative; we have several members of local energy committee.

Meredith Hatfield – Noticed one of the things highlighted that there is a disconnect in some communities. You have identified this is something that needs work?

Representative Borden – It could be stronger.

Allan Linder – There was some suggestion on revised language in the primary section. Make sure we all have the same language.

Mike Fitzgerald – Believes it is “reducing Municipal energy consumption derived by fossil fuels.”

Dick Ober – Requests a motion to move. Representative Borden makes the motion and Representative Garrity seconded.

With those changes all say yes. Greg Whitman for Senator Fuller-Clark abstained.

## 6. TAKING STOCK: A Review of Activities Since October 2008

Jack Ruderman – Before beginning there are two recent developments. First, as of July 1, utilities and the competitive energy suppliers had to file their reports with the PUC in compliance with the RPS law and make their alternative compliance payments. The dollar amount that came in was just shy of \$1.3 Million. Last year the amount came in at \$4.5 Million and our expectation was more in the line of \$10 to \$12 Million each year. The REC market is soft, so we knew that we would not get close to these dollars.

The Greenhouse Gas Reductions Fund, the review of proposals; we are meeting as a committee. It is a two level process. There is the initial screening by the committee. The committee goes through each proposal and then decides if we should bring them in for an interview. We’ve talked with 5 of the applicants. The next step will be to bring all of the recommendations to the Commissioners and then they look at them and then the Commission will decide which ones will be funded and which amounts.

Began [presentation](#) with the following highlights from the presentation:

- Renewable Energy Fund
- Rebate Program Highlights
- Greenhouse Gas Emissions Reduction Fund
- GHGERF – 2009 RFP
- GHGERF – 2010 RFP

A short detailed discussion followed.

Mary Downes from OEP then did a presentation on ARRA Funding [presentation](#) with the following highlights.

- ARRA Goals
- ARRA Programs – OEP
- ARRA Highlights
- For more information

A brief detailed discussion followed.

Dick Ober – we are going to have a brief update about Biomass and then after we will go around the Board table and have everyone at the table ask a question or have a big idea.

Chris Skolund and Mike Fitzgerald [Biomass Presentation](#) with the following highlights:

- Massachusetts Biomass Energy Timeline
- Manomet Study Framework
- Manomet Study Findings
- Manomet Study NH Stakeholder Review
- Mass. Biomass Energy Policy Landscape
- Next Steps
- NH Response Multi-Path Approach

Chris Skolund – The Manomet Conservation Sciences released a Biomass Sustainability study on behalf of the State of Massachusetts. Over the past month we have brought together a small group of stakeholders to discuss the study. The study's framework is very specific to the State of Massachusetts. They looked at 13 biomass pathways and compared them to 5 fossil fuel energy fuel pathways and then reported the carbon deficit and the carbon dividends. They were looking at what the payback would be in terms of carbon. When oil thermal is replaced with biomass, by 2050 we have a 25% carbon benefit. But, the coal-electric we have a 3% disbenefit and compared to gas-electric there is a bigger disbenefit.

They showed a bunch of different scenarios. When biomass catches up with the fossil fuel it is replacing, there is a sensitivity there. It is affected by what the biomass is and many other aspects.

This study strongly suggests that the best use for biomass is in thermal replacements when it is directly replacing fossil fuels to point of combustion.

Mike Fitzgerald – It is a lengthy study. The bigger concern is that the study is being used way beyond what it should be used for. RPS policy is by state by state; what each state requires



and sustainable and renewable energy is not a state by state issue. We have significant concerns because of the implications to the industry. We are concerned how this is being used and the policies on a regional level.

Chris Skolund – Stakeholders that met discussed a lot of different issues and their number one priority is to keep forests, forests. Biomass has the potential to be an alternative sustainable fossil fuel.

Dick Ober – Let's bring this to a close and start with the big questions and ideas; these big questions that the Board will tackle and these should be issues for the State.

## 7. ROUNDTABLE: Identifying the Big Questions for 2011 and Beyond

Questions from Charlie Niebling who was not present.

1. Giving RECs to thermal output from biomass combined clean power in a revised NH RPS, and awarding more efficient combined heat and power with a telescoping REC multiplier for biomass CHP that achieves greater than 50% overall output efficiency. This language is in US Senate Bill 146.2
2. Thermal SBC, assessment of fossil heating fuels, oil and propane, as natural gas already carries with proceeds supporting transition into renewable thermal solar GO biomass through incentives, education, etc. Could provide the PUC with stable, long-term funding on rebates already started.

Meredith Hatfield – Senator Janeway asked if the EESE Board could look into Senate Bill 334; the original bill which was establishing a committee to look at encouraging insulation use of small scale renewable energy resources in New Hampshire. Related to this, Scott Brown spoke to this; what is one thing that New Hampshire can do? Feed in tariffs and asked if the EESE Board is will to take this on? Perhaps we can have a broader discussion about ratemaking approaches, encouraging energy efficiency and sustainable energy. Try and drive the utilities in a different direction.

Dick Ober – What we might do with what we get from the table we should put into a list, bring to the Board and then prioritize it. Then we can set aside a chunk of time in every EESE Board meetings to really dig into the highest priority items.

Bob Reals – Would like to encourage the step-up with codes to support efficiency in particular. Would like to see all state buildings, municipal buildings support our Net Zero for new construction or our 50% reduction retrofit performance for retrofits.

Mike Licata – Two items.

1. One is protecting the funds.
2. The other is the Renewable panel; a couple months back the BIA Energy Committee had a conference and he asked how New Hampshire stacked up in terms of competitive environment for renewable development? The response was, you're not the worst, but not far off. Work to tackle this problem to make New Hampshire attractive and competitive in drawing in renewable developers.

Gil Gelineau – Looked at the residential sector in terms of how to explain that to the community action plan. Had plan to look at the electric sector, and it's fallen off the table, but

would like to see it resurrected. It's important to compare the costs of providing the reductions that are needed from the various sectors.

Wes Golomb

1. Life after ARRA. How do we sustain the gains that we are making after the flood of funding goes away?
2. Need to improve our recording of actual energy consumption figures and come up with some kind of report card that we can measure against.
3. Support third party inspectors for energy code. The energy code is not getting enforced.

Mike Fitzgerald – Thermal SBC or RPS. Some mechanism for incorporating thermal funding. We need to have something other than ACP's for funding renewable energy.

Representative Borden –

1. When is the cash flow coming and making sure we know where the money is and how to get it.
2. Energy Core, where we take all the volunteers that work in the State of New Hampshire and recycle them, retrain them and implement them.

Beth Fischer – Take an initiative to use the full credit. The State of New Hampshire should put together a loan loss reserve fund so we can attract private capital to a revolving loan program for energy efficiency; no matter the project that is being done. Funding is a problem and there needs to be a window that is open. A discussion with Senator Shaheen's office resulted in trying to come up with a model, something under the lines of a SBA program. Believe that there would be private banks that would come to the table knowing that there was protection. This would be specifically for energy retrofit.

Karen Rantamaki – One of the groups that are usually ignored on energy efficiency funds are the maintenance and facilities people and trying to get them on board with maintaining current equipment and whatever new skills that are needed to maintain new technologies.

Greg Whitman – pass

George Gantz –

1. We need to discuss engaging all fossil fuels and the associated industries, funding in Energy Efficiency and Sustainable Energy.
2. We are hyper-focused on public solutions and looking at the size of the problem over the next 50-100 years. The public piece to this is a tiny piece of the puzzle. We need to address the transformation from the public piece to the private piece. If we need to raise money, it will be from the private sector, competitive market force. Ultimately this transition has to be economically right.

Jack Ruderman – pass

Commissioner Below – Feed in tariffs and looking at ways to transform Class II RPS requirements, which is the solar bracket, to support solar in New Hampshire, possibly by essentially transforming it into a feed in tariff. We are actually qualifying Massachusetts solar in New Hampshire that do not qualify in Massachusetts.

Madeline McElaney - 1.2 MW is not aggregated; how can they get aggregated. Maybe the process could be changed to make it more affordable.

Bob Eldredge – Hanging of solar panels; they were told that they can only be hung by an electrician and an apprentice; that this was the law. Need to change the law.

Amy Ignatius – A missing player in all these discussions is the transportation sector.

Dick Ober – There is a new roundtable; The Transportation and Land-use Committee.

Meredith Hatfield – The Outreach and Education Committee, in the planning session they are specifically going to have representation for the transportation sector.

Eric Halter – If we can support long-term organizations and municipalities, to help them help others.

Dick Ober – Stop here. Send any other big ideas and questions to Meredith and Dick and cc Diane. We will bring the list back in August and prioritize the questions. We will also look at the list we identified in 2009 and see which ones we can cross off.

One comment, Dick Henry is not here, PACE Legislation has hit a major federal snag.

## 8. OTHER BUSINESS/ANNOUNCEMENTS

Ben Frost – The Charitable Foundation group has convened a group to address the issue of the transportation connection to carbon reductions. There is recognition that transportation is driven by land-use patterns and vice versa. Met on July 8<sup>th</sup> and a robust discussion happened on where they go from here.

Dick Ober – One specific thing happening is the 9 regional planning commissions are putting a grant proposal together to the sustainable communities initiative. They are looking for \$5 Million to do 9 regional land-use plans that reflect the individual entities of the 9 regions of the state and the demands of the town.

Beth Fischer – On August 17<sup>th</sup>, between 1:00 and 5:00, Build Green NH will be continuing their educational sessions and will be at UNH.

George Gantz – The Commission has issued its order having to do with RSA 374-G, a Unutil proceeding. Did not approve everything; they did approve the Exeter School District project. Moving forward with this and it involves a 65kw microturbine at one building and under 100kw solar PV at the high school.

Commission Below – At the Regional level, the ten RGGI states plus Pennsylvania had a gathering in June with the New England Association of State Transportation Officials to have an energy environment transportation collaborative on initiative. The states would like to start working together.

**Dick Ober – [Greenlaunchingpad.org](http://Greenlaunchingpad.org)** The first five companies are beginning projects. What Green Launching Pad is, is an extensive business accelerator. There were 73 applications for this funding, which only five could be chosen.  
We will be meeting on August 13<sup>th</sup> at the PUC, 9:00 – 12:30.

Meeting was adjourned at 12:42