

Minutes
Energy Efficiency and Sustainable Energy (EERE) Board
Public Utilities Commission, Concord, NH
9 AM – 12:00 PM
Friday, January 17, 2014

Voting Members in Attendance:

Jack Ruderman, PUC; Mike Fitzgerald, DES; Rep. Chuck Townsend; Deborah Schachter, NH Charitable Foundation; Brandy Chambers, OEP; Kate Epsen, NHSEA; Laura Richardson, Jordan Institute

Non-voting Members in Attendance:

Kate Peters (Acting Chair), PSNH; Carol Woods, NHEC; Deb Hale, Liberty Utilities; Tom Palma, Unitil; Mike Behrmann, Revolution Energy

1. Welcome and Introductions

2. Minutes of December EERE Board Meeting

Laura Richardson motion to approve, Mike Fitzgerald second. Motion passed with no discussion.

3. Governance Document

The changes discussed at last meeting were sent out with the agenda. Kate requested approval of these changes. Given low turnout it was decided to hold off until next month.

4. Model Neighborhood Project Presentation – Northern Forest Center - Maura Adams and Rob Riley

- Rob provided background/context re regional issues. Northern Forest = 30 million acres in ME, NH, VT, NY and Canada
- NFC doesn't own any land – their function is help create economic opportunity and preserve ecosystem benefits that result from healthy forests.
- A pilot project in Berlin, NH was conducted in partnership with the Better Buildings program and NH PUC. A total of 40 homes, 2 affordable housing units, and the community arts center installed pellet boilers under this program, all equipped with minimum 3 ton pellet storage.
- Energy efficiency upgrades were included in the project.
- Emphasis on tracking and reporting of fuel savings, greenhouse gas emission reductions, and economic impact. (see http://www.northernforest.org/default/berlin_dashboard.html)
- Homeowners are seeing savings of \$2-3,000/year in heating costs.
- Recent policy changes, including HUD rule changes to consider pellet boilers an “acceptable conventional heating source” and NH incentives for pellet heating systems are very helpful.
- Policy changes still needed:
 - federal tax credits like those offered for wind and solar
 - funding for USDA Community Wood Energy program

- national climate legislation
- Need more public buildings to take the lead and install wood heat. Natural gas is the primary competition. Need to shine light on gas costs during cold weather.
- Incentives are available:
 - NH PUC
 - NHWEST
 - USDA Rural Development
- Public misunderstanding about biomass
 - misperception that pellet boilers have particulate emissions
 - carbon emissions – need to highlight benefits of wood
 - forest sustainability – concern there will be too much cutting. Reality = people do not harvest wood for pellet fuel – it is the residue from other wood harvesting

Kate Peters – Was involved in Berlin Better Buildings and is now seeing additional impacts in her position at PSNH. She noted that Berlin has among the highest percentage of Home Performance with Energy Star projects for last 3 years. It shows that focusing on a single area raises awareness.

Maura noted they are also seeing a disproportionately high rate of pellet installations in communities near Berlin – word is traveling around the North Country.

5. Follow up from December EERS discussion

Letters were sent to the PUC and the utilities on or about December 23rd as agreed to at the last meeting.

Utility feedback (Carol Woods) – Utilities are really engaged and anxious to work through this. They were asked to calculate the cost impacts of achieving 1.6% savings. They have had several conversations about developing such numbers. Some concern about putting out numbers that they are not confident of, having a hard time getting to “a” number and also some concern about how these numbers are going to be used.

- Not sure 2012 is a good baseline year since they made lots of changes right after that. Need to look at programs as they stand now. Need to get into planning at the measure detail level.
- So what numbers can they come up with in the next month?
 - doubling of SBC and the impact on rate class levels

General discussion:

- lots of work done on bill impacts versus rates as well as other studies
 - Environment Northeast – Energy Efficiency: Engine of Economic Growth
http://www.environmentnortheast.org/public/resources/pdf/ENE_EnergyEfficiencyEngineofEconomicGrowth_FINAL.pdf
 - Benefits and Costs of Aggressive EE Programs: Case Study of Massachusetts
<http://emp.lbl.gov/publications/benefits-and-costs-aggressive-energy-efficiency-programs-and-impacts-alternative-source>

- SEE Action – Analyzing and Managing Bill Impacts of EE Programs: Principles and Recommendations
http://www1.eere.energy.gov/seeaction/pdfs/ratepayer_efficiency_billimpacts.pdf
- Synapse report- Costs and Benefits of Electric Utility EE in Massachusetts
<http://www.synapse-energy.com/Downloads/SynapseReport.2008-08.0.MA-Electric-Utility-Energy-Efficiency.08-075.pdf>
- Some in NH have indicated a need to see additional independent detailed analysis of the benefits/impacts of doubling the SBC or investing other funds in expanded EE programs. There was general discussion of whether an analysis by the utilities would be viewed as “independent” or if better use of time and money be to hire Synapse or someone to do the review. Issues include where to find the money to do such a study, but also much discussion of the fact that we have just done this study. Why isn’t the 2013 EERS Study considered an independent study? Some commented that the Board is losing sight of this work – the EERS Study included an economic analysis. Why isn’t the EESE board holding up this study and pushing it?
- Utilities still not clear on numbers used in the EERS Study. Scott Albert will work with utilities gratis to help them understand the numbers.
- NH needs a significant stakeholder process. PUC have ratepayer interests at heart. A stakeholder process can’t be done in a couple of months. RGGI and RPS were both multi-year and UNH was hired for financial analyses which were critical to getting passage.

In MA the utilities quantify non-electric savings.

MA has an EERS for electric, another for gas, another for oil. They don’t mix.

MA model looks at bill impacts, other benefits are not captured.

In MA EE is looked at as a resource, so there is a supply savings impact – so increasing SBC is an upward impact, but supply savings have a downward impact.

There was general discussion to stop focusing on doubling the SBC. This was just a financial mechanism used in the report to achieve a level of savings. Instead, look at the cost of “buying” EE as a lowest cost resource. To be successful we have to get to the point where we talk about this as shifting resources.

A continuation of this discussion will be the focus of the next meeting and key decision makers will be invited to attend. A sub-group will get together to plan the next meeting.

PUC response to the EESE Board letter – under consideration, a response will be sent, but Jack Ruderman can’t discuss at this point.

Next meeting = 2/21 – will need a new meeting location

Future meetings moving to the 3rd Friday of the month.

6. Board and Program Updates

Outreach and Education Committee – Mike Fitzgerald

- met several times in past few months. Great participation and robust discussions
- Scott Albert has developed a straw man logic model.
- O&E committee are not the doers, they are the planners for O&E, but implementing the plan will require both expertise and resources
- use the logic model to design a program – what is the mission, what are goals, what are barriers/problems you are trying to solve, design activities, plan outcomes and how they get you toward the goals. Scott gave a brief overview. Will send out the model and comments/questions are welcome.

Mike Behrmann – suggests O&E specifically target lending institutions.

Laura Richardson – would be great to have the banking institution as part of the EESE board (NHBA). She will reach out to Christiana Thornton and Tom Fahey.

Legislative Updates – Rep. Chuck Townsend

HB 1192 – RGGI threshold price –sponsor (Ken Grossman) will request to hold until end of the session and probably recommend ITL.

Rep. Grossman – convinced that EERS is directionally the way to go, need something more permanent and sustainable.

HB 1443 - RPS – eliminates the 4 classes and sets APC at \$55 for all classes. Goal is to simplify RPS.

HB 1129 - EE study committee – plan to take forward, use as a vehicle to progress on EERS. Language has yet to be written. Looking for robust stakeholder process to re-think how we view EE – look at as a resource.

HB 1224 – best practices for transmission facilities – focused on pipelines. Trying to establish standards for PUC to consider when reviewing/approving.

Several PILOT (payment in lieu of taxes) bills - HB 1455, 1471, 1549, 1590

HB 1455 – communities assess value of a facility, DRA comes in and re-assesses at higher value – puts financial burden on tax payers in the community.

HB 1456 – adds more community input to Site Evaluation Committee (SEC) siting process.

HB 1600 – reporting of energy production for net metering – would establish self reporting for home PV generation so they can more easily participate in the REC market.

HB 1385 – changes in energy facilities – adding cost to criteria that triggers SEC review

HB 1312 – committee to study offshore wind.

HB 1352 – re transmission corridors.

SB 245 – changes to SEC procedures based on SB 99 process.

SB 268 – allocations from EE Fund – allows funds to go to programs approved by PUC, not just CORE programs.

SB 269 – regarding diversion of dedicated funds.

SB 281 – re: wind generation in NH – towers a mile apart, 250’ max height (towers need to be much taller).

Is it time to reactivate the legislative sub-committee? – Mike Fitzgerald, Chuck Townsend, Laura Richardson, Carol Woods, Deb Hale interested in serving on subcommittee. Will check with Mike Licata as well.

Laura Richardson reported on **HB 532** – retained PACE bill. Hoping it will get to floor next Wednesday.

Retained bills on buried DC lines also going to the floor soon.

PUC Updates

Last two Renewable Energy Fund projects were approved by G&C. A [table](#) summarizing 10 grants was distributed. PUC website will have a narrative description of each grant soon.

OEP Updates

Schedule for state energy strategy – next meetings are 1/24, 2/7, 2/21 – roughly every 2 weeks.

Other Business

Christin Badylak-Reals - spoke on behalf of the New Hampshire Legislative Youth Advisory Council (NHLYAC). NHLYAC is a legislative committee (RSA 19-K) that represents the interests of NH youth. They are interested in energy efficiency and sustainable energy issues.

Kate Epsen – Green Eggs breakfast on 1/29.

Adjourn. The meeting adjourned just after noon.