

ENERGY EFFICIENCY AND SUSTAINABLE ENERGY BOARD

RSA 125-O:5-a

21 South Fruit Street, Suite 10

Concord, N.H. 03301-2429

Draft Minutes for October 16, 2020

Attendees:

Board Members: Donald Perrin (DAS); Madeleine Mineau (Clean Energy NH); D. Maurice Kreis (OCA); Becky Ohler (DES); Carol Woods (NHEC); Kate Peters (Eversource); Matthew Mailloux (OSI); Eric Stanley (Liberty Utilities); Jack Ruderman for Ben Frost (NH Housing Authority); Scott Maslansky (CDFA); Ray Burke (NH Legal Assistance); Matthew Siska (GDS Associates); Bruce Clendenning (The Nature Conservancy); Representative Bob Backus (NH House of Representatives); Tonia Chase (BIA); Ryan Clouthier (Southern NH Services); Marc Prindiville (NH State Fire Marshal's Office); Karen Cramton (PUC); Michael Behrmann (Revolution Energy); Tom Palma for Cindy Carroll (Unitil).

Others: Megan Ulin (ReVision Energy); Brianna Brand (Clean Energy NH); Azanna Wishart (PUC); Liz Nixon (PUC); Brian Buckley (PUC); Jason Morse (PUC); Tanya Wayland (PUC); Dylan Voorhees (VEIC); Chris Skoglund (DES); Joanna Abreu (Eversource); Marc Lemanger (Eversource); Steven Eckberg (PUC); Roshan Bhakta (Eversource); Todd Olinsky-Paul (Clean Energy Group); Joel Anderson (NH Office of Legislative Services); Kathy Corey-Fox (Bernstein Shur); Kelly Buchanan (Clean Energy NH); Jay Dudley (PUC); Henry Herndon (Clean Energy NH).

1. Welcome and Introductions

- Madeleine Mineau called the meeting to order at 9:03 a.m.

2. Approval of the September 18, 2020 EESE Board Meeting Minutes.

- Bruce Clendenning moved. Becky Ohler seconded.
- Bruce Clendenning asked that his name be added to the attendee list.
- Approval of the September 18, 2020 minutes with requested change. All in favor with one abstention.

3. Presentation and Discussion of Policy and Economic Benefits for Pay-for-Performance Battery Programs in State Energy Efficiency Plans. Guest Speaker: Todd Olinsky-Paul, Project Director, Clean Energy Group.

- The Storage Performance draft plan presented in New Hampshire’s proposed 2021-2023 EERS plan is modeled after the ConnectedSolutions program in Massachusetts. It is a pay-for-performance program, not an incentive program. It would allow the utility to contract with the customer to pay for a service that the utility values and needs, for example a reduction in peak demand. In return, the customer receives compensation. However, if the customer opts out when called upon by the utility, the customer does not receive a performance incentive payment.
- Storage allows customers to shift load from on-peak times to off-peak times. This is generally the most valuable service that storage provides. By working with the utilities, the Massachusetts equivalent of the New Hampshire EESE Board, and Massachusetts Department of Energy Resources, battery storage was added as a new technology within the efficiency programs in Massachusetts.
- Energy storage programs move markets. For example, the Bring-Your-Own-Device (BYOD) program has led to an increase in storage system installations.
- Key Elements of the proposed program model include:
 - Customers purchase batteries and participate under contract.
 - Batteries reduce system-wide demand peaks, not individual customer peaks.
 - All customers are eligible to participate.
 - Utility pay-for-performance contracts de-risk energy storage investments.
 - Storage provides grid benefits greater than costs. A third-party cost-benefit analysis found that customer batteries (in Massachusetts) passed the cost-benefit test using all of the utilities assumptions. To read more, the report “Energy Storage: The New Efficiency” will be available on the EESE Board website under the October meeting.
- Not all load hours are valued equally. Traditional efficiency lowers net consumption but does not shift peaks. Peak demand reduction shifts demand from on-peak to off-peak hours.
- A study conducted by Navigant reported high residential customer satisfaction with the ConnectedSolutions program. Enrollment has increased over time.
- Aside from owner benefits, the program provides policy benefits. It ensures a diverse storage market. The storage program can be connected with solar rebate programs that offer a storage adder as well as adders for redeveloping brown fields, and Low-Moderate income adders. By having other programs connected to energy efficiency the benefits can be stacked.
- Questions and Answers:
 - If a customer is part of the program and an event is not called in, can they still use the storage system to shave their own peak and reduce demand charge? Yes, in Massachusetts because the customer owns the battery, the signed contract with the utility is like a demand response program. The customer agrees to make

the battery available in certain times and there are a number of discharge signals that are sent per season. The customer always has the option to opt out. There is no penalty for opting out but there will be a reduction in the average on which the payment is based at the end of each season.

- Is there still rapid improvement in battery technology and pricing? Yes. There has been dramatic drops in pricing. Ownership models are becoming more diverse with options like financing, leasing, and power purchase agreements (PPA).
- Why does it make sense to add these programs into energy efficiency programs? Energy efficiency plans generally have more flexibility than utility demand response programs. Efficiency program budgets across the country vastly outweigh utility demand response budgets. Adding new programs into energy efficiency programs is a best practice.
- New Hampshire's EERS plan is three years and you mentioned that payback is 6 years; will that decrease interest in the program? Massachusetts has a three-year energy efficiency resource (EERS) program plan, and under their storage program the customer signs a five-year contract with the utility. The intent is that this program will continue past the three-year plan. The point is that the program is cost effective and it passes the cost-benefit test when considering the lifespan of the equipment.
- If there was battery storage in affordable housing units, how would the benefits be passed on to the residents? It depends on the model of the affordable housing facility. With a master meter, the owner can implement any mechanism desired, or required, to reduce costs for the tenants. In other cases, tenants have their own meters and may receive direct benefit. Or, the facility owner could reduce load in common areas.
- Have you considered FERC Order 2222 and how potential changes to load reconstitution could affect the benefits of storage active demand programs? FERC Order 2222 states that distributed energy resources should be able to participate in wholesale markets. If adopted it will have to be implemented by the ISO's under FERC jurisdiction. If there is a device behind a facility's meter and that meter is providing service to the grid or a utility, the facility owner should be compensated. There was an internal market monitor report to ISO-NE that recommended enforcement of load reconstitution. That discussion is now with the Transmission Owner Committee. State policy makers should take note. If load reconstitution is enforced, it may have an impact state goals, programs, and incentives.
- In Massachusetts and as proposed for New Hampshire, why is the compensation for the Commercial & Industrial (C&I) load curtailment and battery program different per kilowatt? The C&I curtailment is dispatched only a few times over

the summer. For battery storage, calls are daily. Batteries provide a more reliable and higher quality source of capacity as compared to curtailment.

4. EESE Board input to Commission on EERS Committee

- Madeleine Mineau and Don Kreis drafted a recommendation and planning timeline for the 2024 plan and beyond.
- A brief discussion what held to determine whether the draft reflected what was discussed at the last EESE Board meeting.
- Motion to present the letter, with a minor modification, as a recommendation from the EESE Board to the PUC in the Docket 20-092 (the current EERS docket). Since the EESE Board is not an intervener in the docket, the letter will serve as a comment in the docket to the Commission. Don Kreis moved. Ray Burke seconded. All in favor, with the PUC abstaining from the vote

5. Legislative Updates – Representative Backus

- Policy planning for the next session is ongoing.

6. Board & Program Updates

- PUC – Karen Cramton
 - HB715 requires the Commission to open an investigatory docket on Storage. The Commission recently open docket no. IR 20-166 – an Investigation into Compensation of Energy Storage Projects for Avoided Transmission and Distribution Costs.
 - Community Power Aggregation rules are still being discussed with stakeholders.
 - The Puc 900 Administrative Rules on net metering have been approved and enacted as of September 14, 2020. The updated rules are posted on the Commission’s website. The most significant changes are related to the group net metering on-bill crediting, the low-moderate income adder, and the alternative net metering tariff. Staff also created and posted an updated version of the group net metering application.
 - The rate cases and EERS dockets are continuing.
 - The locational value of distributed generation study final version of the report is completed and posted on the PUC website.
 - The Value of DER Study RFP was issued. Eight proposals were received and Staff are in the process of scoring the proposals.
 - The System Benefits Charge annual report was filed on October 1st, as required.
 - The RGGI annual report is almost ready to be filed.
 - The Renewable Energy Fund (REF) annual report was filed on October 1st, and is available on the Commission website.

- Typically, budget information for the new fiscal year is presented in the REF annual report. At the time the report was due, a budget had not been proposed or approved by the Commission. The annual compliance reports and payments for the RPS are due by July 1st. For calendar (compliance) year 2019, alternative compliance payments (ACPs) were approximately 2.57 million.
- There was legislation enacted that removed the “continually appropriated” language from RSA 362-F. This is impacting this year’s budget process. The Commission is currently assessing its available funding and related responsibilities due to statutory changes, with the assistance of the Office of the Attorney General and the Department of Administrative Services (DAS). The DAS and Comptroller are looking at the Renewable Energy Fund account back over a period of years to determine available funding. When available funding is determined, Staff will develop a budget and prepare a recommendation to the Commission for approval. For more information, there is a Frequently Asked Questions document that can be found on the Sustainable Energy webpage under Renewable Energy Rebates.
- OSI – Matt Mailloux
 - The New England States Committee on Electricity (NESCOE) will issue a vision statement today. http://nescoe.com/wp-content/uploads/2020/10/NESCOE_Vision_Statement_Oct2020.pdf
- DES – Becky Ohler
 - A state energy conference was held yesterday. The state energy committee has been working on getting the statute changed so that a portion of the cost savings from energy efficiency projects at state buildings can go to a statewide energy efficiency fund that can provide funding for future energy efficiency projects.
 - The last meeting of the Electric Vehicle Charging Infrastructure Commission is next Friday. The commission expires on November 1st. A final report will be issued. The hope is that the commission’s work will carry on through the Transportation Council.
 - The Electric Vehicle charging infrastructure at the General Court’s parking lot is almost completed. There will be four spaces with EV charging stations available to any electric vehicle. The lot will be actively managed and monitored for proper use.
 - There is growing interest in electric school buses.
- Clean Energy NH – Madeleine Mineau
 - The local energy solutions conference is in two weeks.
 - PUC is speaking on a webinar on net metering and updated PUC 900 rules focused on group net metering on November 18th at 1:00 p.m.

7. Meeting adjourned at 10:56 a.m.