

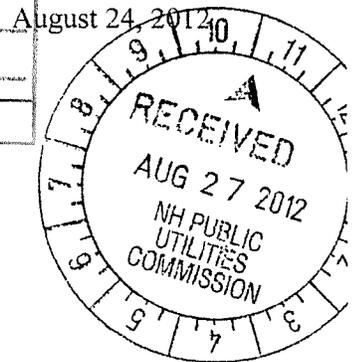


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N.H.P.U.C. Case No.	DE 10-188
Exhibit No.	67
Witness	Paral ^o
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Debra A. Howland, Executive Director
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

RE: Docket No. DE 10-188 CORE Energy Efficiency Programs

Dear Ms. Howland:

The New Hampshire Community Loan Fund, an intervener in this process, understands that the Commission is looking for effective ways to allocate remaining funds in the Regional Greenhouse Gas Emissions Reduction Fund. If adding funds to the Commission’s existing RGGI contracts is a viable option, please consider the Community Loan Fund’s program benefiting low-income households. We could deploy up to \$1,400,000 in new funding to weatherize up to 180 homes.

The “PUC Staff Comments on Proposals to Use RGGI Funds,” dated August 17, summarized the suggestions of The Jordan Institute in a way that requires correction. The Institute had suggested that 15 percent of the RGGI funds be allocated for low-income projects and the staff interpreted this suggestion to include Greener Homes (the NH Housing Finance Authority’s project), and the utilities’ CORE accounts, but not our weatherization project. The Jordan Institute’s proposal referenced the NH Community Loan Fund project and we maintain that it belongs in the same group of projects as Greener Homes.

The Public Utilities Commission awarded the Community Loan Fund \$2 million in the last grant round (December 2010) to manage the weatherization 425 homes. The grant leverages \$600,000 we raised from the U.S. Department of Energy through a Weatherization Innovation Pilot Program (WIPP) grant. Our work has focused exclusively on manufactured homes in resident-owned communities. There are 102 resident-owned communities in New Hampshire and they are home to 5,658 manufactured homes. A substantial percentage of the owners of those homes have incomes sufficiently low to qualify for federal weatherization funds and the Low Income Home Energy Assistance Program (LIHEAP). These are the income definitions the PUC required in its request for proposals to meet the RGGI statute’s requirement that 10 percent of the emissions reduction fund be allocated to projects serving low-income households. These are the households we are reaching with our project.

New Hampshire’s Community Action Agencies – the organizations that deliver traditional

weatherization services for the State – are the key agents for our weatherization work. The agencies recruit and qualify applicants, conduct energy audits of qualifying homes, install the energy-efficiency measures, and help with data gathering and analysis to determine the impact of the public investment. In addition to the DOE WIPP funds, the agencies have added additional leverage to the project by using some of the CORE funds at their disposal in these homes.

The Department of Energy invested in this pilot because of its potential to reduce the unit cost of weatherizing homes by maximizing the efficiency of weatherization crews. The homes in most resident-owned communities are densely located on small lots and the residents well networked with each other. By working sequentially on homes in close proximity within these communities, the project enables crews to recruit, audit, and upgrade numerous homes with minimal travel and down-town between homes. Word of mouth within the communities also increases the number of qualifying households that apply for weatherization services. Oak Ridge National Laboratory is working on an analysis of this pilot. We do not yet have quantitative results but the crews report that they are able to save time and money through “close proximity production.”

Through the end of July 2012, the project had weatherized 126 homes at a total cost of \$1,127,122. By the end of August, we expect to have weatherized 160 homes. We will have used all of the DOE funds and approximately \$805,000 of the RGGI money and \$185,000 of CORE money. The Community Action Agencies are committed to weatherizing 45 homes per month and expect to complete the original quota of homes by May 1, 2013. The average cost per home is \$7,800.

If supplemental funding for the project comes with a completion deadline December 31, 2013, we would be able to complete 180 more homes at a total cost of \$1,400,000. If the funds must be expended by June 31, 2013, we could complete 80 more homes at a cost of \$625,000.

At this writing, the Community Action Agencies have 85 households approved and ready for an audit and 47 more with completed audits ready for weatherization work to begin. Twenty four more households have been weatherized and are awaiting final inspection before being added to our tally of completed projects. To date, the Community Action Agencies have sought applicants in just 14 of New Hampshire’s 102 resident-owned communities.

With such a strong pipeline of potential applicants and with weatherization crews now working statewide with established billing and management protocols in place, this project is an effective and efficient vehicle for further public investment. The Community Action Agencies estimate that its work is reducing energy consumption in the average manufactured home by 170 gallons of kerosene (at \$4.35 per gallon) and 3,200 kWh per year.

The Community Loan Fund and the Community Action Agencies have built into their budgets direct expenses for project management and reporting but no general overhead or incentives payments. Every dollar invested by the PUC in this project goes directly to deliver weatherization services for low-income households.

The termination of the low-income provision of the original RGGI statute and likely reductions

opportunity to make a sizeable contribution to the energy efficiency of New Hampshire's low-income households. The Community Loan Fund's weatherization project, like the New Hampshire Housing Authority's Greener Homes project, is an effective vehicle to achieve that goal.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'RAM', followed by a large, stylized flourish that ends in a vertical line with a small hook at the top.

Richard A. Minard, Jr.
Vice President for Policy and Programs