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VIA HAND DELIVERY & ELECTRONIC SERVICE

Debra A. Howland, Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

RE: Revised Intervenor's Proposal to use RGGI Funds in CORE Programs; Docket 10-188

Dear Director Howland:

On behalf of Granite State Electric Company, New Hampshire Electric Cooperative, Public Service Company of New Hampshire, and Unitil Energy Systems, Inc. (the "Electric Utilities"), I am submitting comments regarding the "Revised Intervenor's Proposal to use RGGI funds in CORE Programs" ("Intervenor's Revised Proposal") filed with the New Hampshire Utilities Commission (the "Commission") by The Jordan Institute, the New Hampshire Community Loan Fund, the New Hampshire Community Action Association, the New Hampshire Housing Finance Authority, and TRC Energy Services (the "Intervenors") on September 7, 2012.

The Electric Utilities take no position regarding the substance of the Intervenors' Revised Proposal. However, the Electric Utilities are concerned that the process that the Intervenors recommend would confer "Core" status on their non-utility energy efficiency programs and thus wish to bring that issue to the Commission's attention.

In their proposal, the Intervenors suggest that the Commission can directly fund their proposal under N.H. Admin. R. Puc 2604.01(b)(2), which provides that funds may be allocated via "[a]n adjudicative proceeding, pursuant to Puc 203, for the system benefits charge core efficiency programs approved pursuant to RSA 374-F." The Electric Utilities disagree that the proposed programs are "system benefits charge core efficiency programs."

Lawrence A. Kelly
(Of Counsel)

The Electric Utilities have been administering the Core programs since their conception. *Order Establishing Guidelines for Post-Competition Energy Efficiency Programs*, Order No. 23,574, Docket No. DR 96-150 (Nov. 1, 2000) at 27 (describing the energy efficiency programs to be provided by the electric utilities as the “core” programs). The term “Core” is a distinctive term regularly used to apply to programs provided by the Electric Utilities. *Order on Home Performance with Energy Star Program*, Order No. 25,402, Docket No. DE 10-188 (Aug. 23, 2012) at 2 (“The CORE energy efficiency programs for the electric utilities are generally funded by the system benefits charge (SBC) assessed on all electric utility customers pursuant to RSA 374-F:3, VI and by New England Forward Capacity Market (FCM) proceeds generated by the Independent System Operator-New England (ISO-NE) FCM auctions.”). There remains a distinction between programs provided by the utilities pursuant to RSA 374-F and funded by the System Benefits Charge, and other, unrelated programs. The term “Core Programs” is the Utilities’ unique branding for the programs they administer, and they believe it is important to avoid confusion and to maintain distinction between the programs they administer and energy efficiency programs offered by others.

Given this concern and the express limitations of Puc 2604.01(b)(2) to programs funded under the System Benefits Charge, the Electric Utilities request that the Commission conduct its review of the Intervenor’s Revised Proposal under Puc 2604.01(b)(3). This would be consistent with the regulations, which create three ways in which RGGI funds may be allocated (the third of which has no relevance here). One is only for “the systems benefits charge core efficiency programs” and the other is more generally “[o]therwise through an adjudicative proceeding.” N.H. Admin R. Puc 2604.01(b)(2), (3). The former allows the Core utilities to administer RGGI programs without requiring a process outside of the “core docket,” while the latter provides for much broader circumstances. The meaning of Puc 2604.01(b)(3) would be eliminated if any entity could be awarded funds by calling itself a “core program.” As a result, Puc 2604.01(b)(3) is the appropriate manner in which to consider the Intervenor’s Revised Proposal. The Electric Utilities would certainly support an expedited adjudicative process for this to occur,

Should the Commission determine that its proceedings regarding the Intervenor’s Revised Proposal may proceed under N.H. Admin Puc 2604.01(b)(2), this decision should not be considered precedent for any decisions regarding RGGI funds subsequent to January 1, 2013. Under House Bill 1490, the Greenhouse Gas Emissions Reduction Fund will be eliminated, and therefore, the rules promulgated pursuant to the former version of RSA 125-O will no longer be in effect. Further, the new statutory language states that funds “shall be allocated by the commission as an additional source of funding to electric distribution companies for core energy efficiency programs that are funded by SBC funds.” N.H. Laws 2012, Chapter 281 (HB 1490, enacted June 23, 2012). Therefore, the process advocated by the Intervenor will not be applicable to programs after January 1, 2013.

Finally, in their revised proposal, the Intervenors indicate that the Electric Utilities have an “expressed funding need” of \$3 million, but that only \$1.6 million should be distributed to the utilities. *Intervenors’ Revised Proposal* at 3. At the August 30 hearing in DE 10-188, the agreement which was understood by the Electric Utilities and which was presented to the Commission was that the Electric Utilities sought \$3 million in RGGI funds. Two million dollars of these funds are to be applied in the current calendar year, in accordance with the July 13 Order of Notice. One million dollars would be applied to RGGI-funded Core programs during the first quarter of 2013, until the first 2013 RGGI auction renders additional funds available. The agreement presented to the Commission was that the Intervenors would seek the remaining funds (approximately \$3 million) available from the September and December RGGI auctions, in accordance with further proceedings before the Commission. The hearing on August 30, 2012 proceeded under the assumption that this proposal was agreed to by all of the parties present.

While the Electric Utilities take no position regarding the substance of the Intervenors’ proposal, the Electric Utilities restate their position that they seek \$2 million in RGGI funding for “shovel ready” projects during the remainder of 2012, and that \$1 million will permit them to continue their RGGI-funded programs into the beginning of 2013. The Electric Utilities object to those portions of the Intervenors’ Revised Proposal that do not reflect the agreement which was presented to the Commission on August 30, and which provides the Electric Utilities with \$3 million in 2012 RGGI funds.

Thank you for the opportunity to provide comments on the Intervenors’ Revised Proposal. Please do not hesitate to contact me if you have any questions or concerns.

Very truly yours,



Rachel Aslin Goldwasser