

STATE OF NEW HAMPSHIRE



Energy Efficiency and Sustainable Energy Board
RSA 125-O:5-a

First Annual Report

Prepared for:
Governor John H. Lynch
Senate President Sylvia Larsen
Speaker of the House Teri Norelli
Senator Martha Fuller Clark, Chair, Senate Energy,
Environment and Economic Development Committee
Representative Naida Kaen, Chair, House Science,
Technology and Energy Committee
Public Utilities Commission

December 1, 2008

I. Background and Organization

The Energy Efficiency and Sustainable Energy Board (“EESE Board”) was created by HB 1561 in 2008, codified as RSA 125-O:5-a. See Attachment A. The creation of the Board was driven in large part by the passage of HB 1434, which allows New Hampshire to participate in the Regional Greenhouse Gas Initiative (“RGGI”), a 10-state effort to cap and reduce greenhouse gas emissions from electric generating plants. A key aspect of RGGI is the creation of the Greenhouse Gas Emissions Reduction Fund (“RGGI Fund”), which the Legislature directed must be “used to support energy efficiency, conservation and demand response programs to reduce greenhouse gas emissions generated within the state,” and to reduce energy bills for New Hampshire electric customers. RSA 125-O:23. The Board is directed to “provide recommendations at least annually to the public utilities commission on the administration of energy efficiency and renewable energy funds under the commission’s jurisdiction.” RSA 125-O:5, I (d).

Another purpose for establishing the EESE Board was the increasing awareness that energy efficiency is the cleanest and least expensive energy resource, and that New Hampshire must do much more to take advantage of it. To this end, the EESE Board was directed to develop a plan for energy efficiency and sustainable energy that builds on existing successful programs, increases awareness of energy efficiency and sustainable energy, and improves coordination of these programs. The Board’s duties are listed in Section III of this Report.

The Board was created on October 1, 2008, and the Chair of the Public Utilities Commission (PUC) convened its organizational meeting on that day. This report is intended to describe the members, mission and next steps for the Board. The Board is administratively attached to the PUC, and the agency provides administrative support. The PUC has created a

webpage for the Board where all meeting materials and background information can be found:

www.puc.nh.gov/EESE.htm.

II. Members

The members of the EESE Board, designated by RSA 125-O:5-a, II, include state agency heads, representatives of non-profit organizations and associations, legislators, and several non-voting members representing electric and natural gas utilities and businesses in the energy efficiency and sustainable energy sectors. The members are:

Voting:

Richard Ober, NH Charitable Foundation, Chairman
Jack Ruderman, Office of Energy and Planning, Vice Chairman
Clifton Below, Commissioner, Public Utilities Commission
Meredith Hatfield, Consumer Advocate, Office of Consumer Advocate
Robert Scott, Director, Air Resources Division, Department of Environmental Services
Michael Vlachich, Director, Economic Development Division, Department of Resources and Economic Development
Patti Carrier, NH Ball Bearings, BIA Designee
Susan Olsen, NH Municipal Association
Daniel Feltes, NH Legal Assistance
Brian Wujcik, Homebuilders and Remodelers Association of NH
Rep. David Borden
Rep. James Garrity
Sen. Martha Fuller Clark
Dick Henry, The Jordan Institute
Wes Golomb, NH Sustainable Energy Association
Michael Connor, Director, Division of Plant and Property Management, Department of Administrative Services
Ken Walsh, State Fire Marshall's Office, Department of Safety
Dean Christon, NH Housing Finance Authority

Non-Voting:

Gil Gelineau, Public Service Company of NH
John Puc, National Grid
Cindy Carroll, Unitil
Ray Gosney, NH Electric Cooperative
Derek Buchler, Northern Utilities
James Grady, LighTec
Charles Niebling, New England Wood Pellet
Janet Brewer, Ocean National Bank

A complete listing of members and their contact information is provided in Attachment B. The members represent a wide range of interests that will help the Board with its broad areas of responsibility.

There have also been many interested members of the public regularly attending the EESE Board's meetings, many who have significant experience with energy efficiency or sustainable energy technologies and programs. A partial listing of attendees and their affiliations can be found at Attachment C. The Board encourages broad participation in its work, as it acknowledges that its broad mandate cannot be achieved through the Board's work alone, and that those in the fields of energy efficiency and sustainable energy can bring significant practical experience about how best to achieve our goals in these areas. The Board recognizes the important role of these experts and is encouraged by the attendance and participation of members of the public at its meetings thus far. The Board has discussed utilizing a working group structure to meet its broad statutory goals, which will provide opportunities for participation from interested parties.

III. Overview of EESE Board's Statutory Charge

As stated above, the EESE Board's duties are broad. They include, but are not limited to:

- Reviewing available energy efficiency, conservation, demand response, and sustainable energy programs and incentives and compiling a report of those resources in New Hampshire;
- Developing a plan to achieve the state's energy efficiency potential for all fuels, including setting goals and targets for energy efficiency that are meaningful and achievable;
- Developing a plan for economic and environmental sustainability of the state's energy system including the development of high efficiency clean energy resources that are either renewable or have low net greenhouse gas emissions;
- Providing recommendations at least annually to the public utilities commission on the administration and allocation of energy efficiency and renewable energy funds under the commission's jurisdiction;

- Exploring opportunities to coordinate programs targeted at saving more than one fuel resource, including conversion to renewable resources and coordination between natural gas and other programs which seek to reduce the overall use of nonrenewable fuels
- Developing tools to enhance outreach and education programs to increase knowledge about energy efficiency and sustainable energy among New Hampshire residents and businesses;
- Expanding upon the state government’s efficiency programs to ensure that the state is providing leadership on energy efficiency and sustainable energy including reduction of its energy use and fuel costs;
- Encouraging municipalities and counties to increase investments in energy efficiency and sustainable energy through financing tools, and to create local energy committees;
- Working with community action agencies and the office of energy and planning to explore ways to ensure that all customers participating in programs for low-income customers and the Low Income Home Energy Assistance Program (LIHEAP) have access to energy efficiency improvements, and where appropriate, renewable energy resources, in order to reduce their energy bills; and
- Investigating potential sources of funding for energy efficiency and sustainable energy development and delivery mechanisms for such programs, coordinating efforts between funding sources to reduce duplication and enhance collaboration, and reviewing investment strategies to increase access to energy efficiency and renewable energy resources.

IV. Description of 2008 Activities

The EESE Board met five times in October and November 2008, and has two meetings planned in December, 2008. The Agendas, Minutes and Materials from those meetings can be found on the PUC’s EESE Board webpage, www.puc.nh.gov/EESE.htm.

At its first meeting, held on October 1, 2008 at the PUC, Board members introduced themselves and talked about their backgrounds. The Board then elected Richard Ober, Vice President of Civic Leadership and Communications at the NH Charitable Foundation as the Chair of the Board, and Jack Ruderman, Deputy Director of the Office of Energy and Planning as the Vice Chair. The Board’s agenda included: a review of its statutory charge; a presentation by DES on the Governor’s Climate Change Policy Task Force; an update on the “Stay Warm

NH” initiative to winterize homes through volunteer efforts this fall and early winter; and an overview of the Renewable Energy Fund created by the Renewable Portfolio Standard (RPS) law and the RGGI Fund. The members agreed to meet twice monthly until the end of the year in order to educate itself on the issues it will be addressing.

The second meeting of the EESE Board was held on October 17, 2008 at the PUC. The focus of the meeting was to provide an overview of the existing ratepayer-funded energy efficiency programs that are administered by the gas and electric utilities, and by the Community Action Agencies (CAAs). Presentations describing the electric “Core” energy efficiency programs, the natural gas efficiency programs, and the low income programs administered by the CAAs are available on the EESE Board webpage of the PUC website. These programs serve over 90,000 customers per year with efficiency services ranging from weatherization, to lighting, to variable drive motors in manufacturing businesses. More information is available at www.nhsaves.com.¹

The Board also discussed the RGGI Fund proposed interim rules which will govern how the PUC distributes those funds, and provided feedback to the PUC on the draft, as well as for the final rules which will be promulgated in early 2008. The interim rules are available on the PUC website at www.puc.nh.gov/Regulatory/proposedrules.htm. The Board will also have an opportunity to participate in the final rulemaking process. Lastly, the Board also began discussions about how to organize its duties, and whether the Board should organize working groups that include other interested groups and members of the public to focus on particular areas of work.

¹ Additional information is also available at: www.puc.nh.gov/Electric/Report%20on%20SBC%20to%20TH2008%20Legislative%20Oversight%20Committee%20-%2010012008.pdf, www.puc.nh.gov/Electric/coreenergyefficiencyprograms.htm, and www.puc.nh.gov/Gas-Steam/energyefficiencyprograms.htm

The third meeting of the EESE Board was held on October 31, 2008. Commissioner Below presented background information on the PUC's cost effectiveness test and the Synapse New England avoided energy supply cost study for the next meeting, when the Board would have a presentation on the Energy Efficiency Potential Study that is being conducted for the PUC. The Board then discussed the approach it wished to take for its work, and decided that it should take a leadership role in order to meet its statutory obligations. The Board agreed that its leadership role on energy efficiency and sustainable energy would also include partnering with other groups, and fulfilling all of its statutory duties.

The fourth meeting of the EESE Board, held at the PUC on November 13, 2008, featured two presentations: Jim O'Reilly of Northeast Energy Efficiency Partnerships (NEEP) described the status of efficiency programs in other northeastern states, as well as upcoming issues that the states are facing. The presentation can be found at the EESE Board website. Many of the key issues highlighted in the presentation are areas for the EESE Board to address in its work, and many states have similar bodies focused on energy efficiency. The Board agreed that it would be helpful to have NEEP as a resource as it develops a workplan, and to keep abreast of the work of counterpart Boards in other northeast states.

Scott Albert of GDS Associates presented an overview of the Energy Efficiency Potential Study commissioned by the PUC. Mr. Albert discussed the scope of the study, which was to estimate the remaining efficiency opportunities for electric, natural gas and other related heating fuels in residential, commercial and industrial applications. The study will also identify potential barriers to customers investing in energy efficiency, and will estimate different levels of efficiency potential, including what is technically possible, what is economical, and what is

potentially obtainable from a practical perspective. The full draft study was released on November 26, 2008, and the Board will continue its discussion on the study at its next meeting.

There are two meetings scheduled for December, to be held on December 5th at the PUC and December 19th at the NH Local Government Center. The meeting on the 5th will focus on further discussion of the Energy Efficiency Potential Study, including public comments on the draft study released on November 26, 2008.

V. Other Resources

Several other Commissions, Boards and organizations exist that also work on energy efficiency and sustainable energy issues in the state. This report provides a brief overview of those that Board members are currently aware exist; a more detailed exploration will be included in the report that the Board is charged with compiling, which is likely to be one of the first areas of focus in 2009.

There are a few legislative bodies that have overlapping duties with the EESE Board. The Energy Policy Commission (EPC) is charged under HB1146 of 2006 and SB 140 of 2007 with investigating a wide range of energy issues, including energy efficiency and renewable energy. The EPC sunsets on December 1, 2008. Its interim and final report may be found on the PUC's website.

The Energy Planning Advisory Board (EPAB) was created by SB 443, Chapter 164:2, in 2004. It is charged with monitoring and assisting in the implementation of the state's 2002 Energy Plan, available at <http://www.nh.gov/oep/programs/energy/StateEnergyPlan.htm>. Many of the EPAB members also serve on the EPC, and due to the overlap in their charges the EPAB did not meet while the EPC was in place. Its reports may be found on the Office of Energy and Planning (OEP) website.

In addition to these legislative bodies, there are several other groups that can provide significant resources and expertise to the EESE Board. They include the Residential Energy Performance Association (“REPA”), which is a group that includes energy efficiency businesses, utilities, and others in the efficiency field. The group provides networking and training opportunities for those in energy efficiency businesses. Their website, www.repa-nh.org, provides resources including lists of qualified energy auditors and installers of efficiency measures.

There are also many non-profit and for-profit organizations that specialize in energy efficiency or renewable energy, some which are represented on the EESE Board. These organizations and businesses can provide significant expertise to the EESE Board as it undertakes its work to develop plans to achieve more energy efficiency and to increase the use of sustainable energy. They can also share their experience and examples of what has worked on a practical level, and what obstacles remain to increasing energy efficiency and sustainable energy in homes, business and institutions in the state.

Another significant resource that exists in the state is the growing number of local energy committees (LECs). LECs have grown significantly in number over the past few years as New Hampshire cities and towns grapple with increasing energy costs and the need to reduce greenhouse gas and other harmful emissions resulting from energy use. The Carbon Coalition and the NH Carbon Challenge provide support to these groups as well as training about what individuals and communities can do to reduce their carbon footprint. See www.nhcarbonchallenge.org. The EESE Board can look to these groups for insights about how best to implement energy efficiency and sustainable energy policies and programs at the local

level. Having the NH Municipal Association as a member will also help support outreach in this area.

The Board will continue to explore additional partnership and collaborative opportunities, as many more surely exist. One main purpose of the EESE Board is to increase awareness of sustainable energy programs and opportunities in the state, to reduce duplication of efforts, and to make it easier for consumers and businesses to access these programs.

VI. Next Steps

The EESE Board plans to meet, at a minimum, once a month in 2009, on the second Friday of each month, beginning on January 9. The Board may also create working groups to focus on each of the areas of work identified in its statutory charge, in order to get its work underway to deliver the reports and recommendations required in 2009.

VII. Conclusion

The EESE Board represents an important next step in the development of a comprehensive approach to energy efficiency and sustainable energy policies and programs for New Hampshire. It is now widely understood that energy efficiency is the cheapest, cleanest, and most readily available resource to meet our energy needs. The Board looks forward to delving into meeting its statutory mandates in 2009.

Respectfully Submitted,



Richard Ober, Chair

TITLE X PUBLIC HEALTH

CHAPTER 125-O MULTIPLE POLLUTANT REDUCTION PROGRAM

125-O:5-a Energy Efficiency and Sustainable Energy Board. --

I. An energy efficiency and sustainable energy board is hereby created to promote and coordinate energy efficiency, demand response, and sustainable energy programs in the state. The board's duties shall include but not be limited to:

(a) Review available energy efficiency, conservation, demand response, and sustainable energy programs and incentives and compile a report of such resources in New Hampshire.

(b) Develop a plan to achieve the state's energy efficiency potential for all fuels, including setting goals and targets for energy efficiency that are meaningful and achievable.

(c) Develop a plan for economic and environmental sustainability of the state's energy system including the development of high efficiency clean energy resources that are either renewable or have low net greenhouse gas emissions.

(d) Provide recommendations at least annually to the public utilities commission on the administration and allocation of energy efficiency and renewable energy funds under the commission's jurisdiction.

(e) Explore opportunities to coordinate programs targeted at saving more than one fuel resource, including conversion to renewable resources and coordination between natural gas and other programs which seek to reduce the overall use of nonrenewable fuels.

(f) Develop tools to enhance outreach and education programs to increase knowledge about energy efficiency and sustainable energy among New Hampshire residents and businesses.

(g) Expand upon the state government's efficiency programs to ensure that the state is providing leadership on energy efficiency and sustainable energy including reduction of its energy use and fuel costs.

(h) Encourage municipalities and counties to increase investments in energy efficiency and sustainable energy through financing tools, and to create local energy committees.

(i) Work with community action agencies and the office of energy and planning to explore ways to ensure that all customers participating in programs for low-income customers and the Low Income Home Energy Assistance Program (LIHEAP) have access to energy efficiency improvements, and where appropriate, renewable energy resources, in order to reduce their energy bills.

(j) Investigate potential sources of funding for energy efficiency and sustainable energy development and delivery mechanisms for such programs, coordinate efforts

between funding sources to reduce duplication and enhance collaboration, and review investment strategies to increase access to energy efficiency and renewable energy resources.

II. The members of the board shall be as follows:

- (a) The chairman of the public utilities commission, or designee.
- (b) The director of the office of energy and planning, or designee.
- (c) The consumer advocate, or designee.
- (d) The commissioner of the department of environmental services, or designee.
- (e) The commissioner of the department of resources and economic development, or designee.
- (f) The president of the Business and Industry Association of New Hampshire, or designee.
- (g) The executive director of the New Hampshire Municipal Association, or designee.
- (h) The executive director of New Hampshire Legal Assistance, or designee.
- (i) The president of the Homebuilders & Remodelers Association of New Hampshire, or designee.
- (j) Two members of the house science, technology and energy committee appointed by the speaker of the house of representatives.
- (k) One member of the senate energy, environment and economic development committee, appointed by the president of the senate.
- (l) Three representatives from not-for-profit groups representing energy, environmental, consumer, or public health issues and knowledgeable in energy conservation policies and programs, appointed by the chairman of the public utilities commission.
- (m) The commissioner of the department of administrative services, or designee.
- (n) The state fire marshal, or designee.
- (o) The executive director of the New Hampshire housing finance authority, or designee.

III. The board shall include, as nonvoting participants the following:

- (a) One representative from each utility-administered electric and natural gas energy efficiency program appointed by the chairman of the public utilities commission.
- (b) A representative of energy services companies delivering energy efficiency services to residential and business customers, appointed by the chairman of the public utilities commission.
- (c) A representative of a business or association of businesses selling or installing sustainable or renewable energy systems, appointed by the chairman of the public utilities commission.
- (d) A representative from the investment community with expertise in efficiency investments and financing, appointed by the chairman of the public utilities commission.

IV. The chairman of the public utilities commission shall call the first meeting of the board. The board shall elect a chairperson from among its members. Seven members of the board shall constitute a quorum. The board shall make an annual report on December 1 to the governor, the speaker of the house of representatives, the president of the senate, the house science, technology and energy committee, the senate energy, environment and

economic development committee, and the public utilities commission, to provide an update on its activities and recommendations for action including possible legislation.

V. The board shall be administratively attached to the public utilities commission under RSA 21-G:10.

VI. Legislative members of the commission shall receive mileage at the legislative rate when attending to the duties of the board.

VII. No member of the board shall vote on a matter in which the member, his or her spouse or dependent, or the organization or entity represented by or employing the member, has a private interest which may directly or indirectly affect or influence the performance of his or her duties.

Source. 2008, 393:1, eff. October 1, 2008.

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EESE Board Interested Parties
(partial list)

Ann Robinson, Director - Seabrook Library
Bill Gabler, Government Relations Manager - Clean Power Development
Bob King – Conservation Law Foundation NH Board Member/Member of the Public
Carolyn Demorest – NH Sustainable Energy Association
Dana Nute – Association of Community Action Agencies (CAA)/Belknap-Merrimack CAA
Domenic K. Armano - Member of the Public
Donald H. Sienkiewicz – Rath, Young and Pignatelli, P.C.
Heidi Kroll, Market and Policy Analyst – Gallagher, Callahan & Gartrell
Henry Veilleux – The Sheehan Group
Jim Monahan, Vice President – The Dupont Group
Jim O'Reilly, Director of Public Policy - Northeast Energy Efficiency Partnerships
Joel Anderson – Office of Legislative Services
Kate Peters – Governor's Office
Kathy Veracco – The Sheehan Group
Michael Licata, Director of Government Affairs – Business Industry Association
Oliver Sheridan – SolarWrights
Russ Aney - Member of the Public
Tom Fargo – Member of the Public
Tom Rooney – TRC Companies, Inc.
Will Abbott, Vice President, Policy & Land Management, Society for the Protection of
NH Forests