

Minutes  
Energy Efficiency and Sustainable Energy (EERE) Board  
Comfort Inn, Concord, NH  
9 AM – 12:00 PM  
Friday, April 12, 2013

**Members in Attendance**

Kate Peters from NH Sustainable Energy Association; Susan Chamberlin from Office of Consumer Advocate; Brandy Chambers from Office of Energy & Planning; Jack Ruderman; Mike Fitzgerald and Becky Ohler from Department of Environmental Services; Karen Rantamaki from Department of Administrative Services; Dana Nute from Jordan Institute; Jeffrey Cyr from the State Fire Marshall's Office; Brian Ramsey from the BIA.

**Non-Voting Members in Attendance**

Carol Woods from New Hampshire Electric Cooperative; Allison Field from The Provident Bank; Gil Gelineau from Public Service of New Hampshire; Cindy Carroll from Unitil; Tom Rooney from TRC, Inc.

**1. Welcome and Introduction**

- This week's meeting was held at the Comfort Inn, which recently underwent an extensive energy efficiency retrofit (to be discussed during the panel presentation).

**2. Minutes of February EERE Board Meeting**

- The Board approved the minutes of the March 8, 2013 EERE Board meeting.

**3. Panel Discussion – Energy Projects in Commercial Buildings**

- The EERE Board began with an overview of the Comfort Inn project, presented by Michael Davey of Energy Efficiency Investments. Mr. Davey noted that the project would not have been possible without the comprehensive 'package' approach to funding; under that model, the project utilized a variety of funding sources, including grants from the Better Buildings and Pay4Performance programs and loans from the Bank of NH. The number one priority for the building owner was that the project had to be cost-neutral on a monthly basis.
- The panel discussion then continued with Michael Behrman of Revolution Energy outlining the challenges his company has seen with Power Purchase Agreements. The largest challenge he identified was general confusion—about the technology, about how financing works, etc. Mr. Behrman noted that there is also a lot of concern and confusion about incentive instability; potential clients can't be sure that the incentives will still be available at the time their project is completed, which presents a significant barrier because cost is overwhelmingly listed as the primary

motivation/concern for clients. Mr. Behrman recommended that NH continue to build public-private partnerships that provide *stable* incentives for renewable projects and help educate the public.

- Michael Bruss from Bruss Construction described a funding approach similar to the ‘package’ described by Mr. Davey, noting that this utilization of multiple funding sources had been very successful for his company. However, Mr. Bruss cautioned that it is still difficult to find sufficient financing to undertake truly comprehensive projects that achieve all technically possible energy savings.
- Mark Lucas from Johnson Controls explained that under JC’s performance contracting approach, JC guarantees the energy savings themselves, which allows the banks to feel comfortable with providing financing for those projects. Mr. Lucas noted that while JC encourages comprehensive retrofits that go beyond basic equipment replacements, it is sometimes difficult to achieve that under the current rebate structure.
- Mr. Davey then discussed Energy Efficiency Investments’ approach to performance contracting in traditionally underserved sectors such as small municipalities. EEI sees a big opportunity in that sector, as many of these towns badly need equipment replacements as a result of deferred maintenance. In the absence of large grants and incentives (e.g. ARRA), EEI believes that performance contracting is the best option in the future.
- Following the panel presentations, there was a discussion about financing, and the concerns of the banking industry. It was noted that the banks operate in a highly regulated environment that requires them to take all possible steps to mitigate risk when making loans, and there is a lack of confidence in current energy modeling. Guarantee programs such as the ones offered by USDA, BFA, and Johnson Controls were discussed as possible ways to overcome that barrier.
  - It was also noted that loan interest rates appear to be more important to consumers than overall project savings, and interest-rate buy down programs such as those offered through MassSaves can be important.
- A major takeaway from the morning discussion was that there is a need to streamline state programs related to energy, and to do so in a way that creates a stable, predictable funding environment. Additionally, significant education and outreach is needed so that the public understands and is comfortable with these types of projects and financing arrangements.

#### **4. Break**

#### **5. Legislative Subcommittee Update**

- Representative Townsend provided a brief update on bills making their way through the House STE committee.
- Jack Ruderman and Mike Fitzgerald discussed two bills (SB148 and HB542) related to NH’s Renewable Portfolio Standard. The two are

somewhat in conflict, and the sponsors are talking to see whether they can work out a combined bill. It's anticipated that they will be taking into account the order recently issued by the PUC that adjusted the percentage requirements for Class III renewables.

- Discussion about the bills and the changes they would make again converged on the need for state policy to be consistent in order to provide signals to the market. Question raised whether EESE board should weigh in on that issue; topic for further discussion.
- Mike Fitzgerald also provided an update on RGGI-related bills HB306, HB630, and SB123. In the discussion about SB123, which creates a new category for municipal projects within the CORE programs, the issue of some sort of technical assistance positions for municipalities was raised. Towns need help understanding projects, figuring out financing, issuing and scoring RFPs, etc. How can the state help provide this?
  - Utilities noted that they are willing and able to provide that guidance through the CORE process.
  - Others noted that we should be taking a bigger-picture view—the state really does not have the resources to set up the kind of comprehensive, start-to-finish guidance that was discussed. Instead, the state can help by looking at the regulatory and governance structures and eliminating barriers to private financing, e.g. ESCOs.

## **6. Board and Program Updates**

- The Board then discussed its role for the next year, and how it can help with education & outreach, which was identified as a major need. Once again, the discussion mentioned the need for consistency and longevity—the state has had so many websites and efforts started and stopped recently, the public doesn't know where to turn anymore. It was suggested that the next panel discussion be about communications, and that could inform the Board's direction on this issue. Agreed to bring in experts from other states, to learn from their experience.

## **7. Adjourn**