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Subject: June 23rd Energy Planning Advisory Board Stakeholders Forum
GDS Associates Proposed Public Comments – DRAFT

Commenter: Scott Albert, Principal at GDS Associates, Inc and Manager of GDS' Northeast Region Office located in Manchester, NH.

About Our Firm: GDS Associates is a multi-service consulting and engineering firm formed in 1986 and now employs a staff of over 100 in five locations across the U.S. Our broad range of expertise focuses on clients associated with, or affected by, electric, gas, and water utilities. In addition, we offer information technology, market research, and statistical services to a diverse client base. Our NH Office was opened in 1999 and currently has seven employees providing energy efficiency and renewable energy program design, cost effectiveness analysis, implementation evaluation and related services to electric and gas utilities and directly to residential, commercial, industrial and municipal customers throughout the region.

Topic Area: Electric and Gas Energy Efficiency and Load Management

Key Points:

- GDS brings a unique perspective to this topic
 - A small, but growing business here in NH
 - A provider of energy efficiency services directly to residential, commercial, industrial and municipal customers
 - A provider of energy efficiency related program design, market assessment, cost-effectiveness analysis, program implementation and evaluation support services to nearly every electric and gas utility in NH and throughout the region
 - Have gained tremendous insights into the markets and market barriers impacting the development of an ethic and demand for energy efficiency in the state and a sustainable infrastructure of qualified local energy efficiency product and service providers
- Markets for energy efficiency products and services in NH have existed in various shapes and sizes for some time, many of which have benefited from past and existing electric and gas utility efforts.
- There is currently in the State a fledgling but growing network of local energy efficiency-conscious product and service providers working both within and outside available utility programs (new home/building construction contractors, electrical, mechanical, HVAC contractors, equipment manufacturers/distributors/suppliers, architects/engineers/energy auditors and service professionals, code officials, etc.).

- Regulatory risk must be minimized if this current fledgling market is to grow here in NH
- The current System Benefit Charge (3 mills for electric customers) should remain stable over a reasonable period of time to allow natural market forces to develop, and temptations to borrow funds or alter the allocations within and among sectors should be avoided
- Implications go far beyond the utilities that are responsible for managing their energy efficiency program portfolios (which, by the way, have been quite effective in achieving energy and demand savings, increasing awareness and customer demand, and educating the public on the benefits of looking into and implementing efficiency measures). Short-term shifts in budgets and/or delivery approaches can cause major confusion in the market. They:
 - force programs to be turned on and off
 - cause significant residential and commercial/industrial customer frustration
 - turn customer attention elsewhere, often to non-energy related priorities
 - increase risk and impact small NH companies and independent contractors willingness and ability to incorporate energy efficiency into their existing product and service lines
- Companies need to know that their markets are going to grow or implode based on their own devices and not as a result of a new legislative mandate or regulatory order

Recommendations:

- Avoid any additional legislation that might impact existing energy efficiency markets and related budgets/portfolios of electric and/or gas utility programs
- If additional legislation is necessary, such legislation should work to reduce risks currently experienced by the in-State energy efficiency businesses infrastructure
 - Ensure that the 3 mills/kwh System Benefits Charge remains in place for an extended period of time (i.e., 5 years) and adjusted, if necessary in a rational manner over a multiyear period
 - Continue to allow impacted utilities to submit multi-year energy efficiency program plans and budgets with opportunities for annual updates to make minor adjustments to reflect market realities based on lessons learned in the field
- Develop and maintain a long-range goal to increase the energy efficiency ethic and knowledge/demand for energy efficient products and services among the citizens and businesses within New Hampshire and to create a sustainable infrastructure of local energy efficiency product and service providers.