

DE 09-137

February 27, 2010

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit St.
Suite 10
Concord, NH 03301-2429

Testimony for PUC Public Hearing on DER
Docket DE 09-137
March 2, 2010



Letter of Testimony:

My name is Matthew O'Keefe.

I am a citizen of the town of Stratham and a supporter of New Hampshire's investment in renewable energy technology. I have a professional background in energy and currently serve as the Campus Energy Manager for the University of New Hampshire. I am also a member of Stratham's energy committee and have worked on the Firehouse PV installation project nearing 3 years. I fully support the petition from Unutil Energy Systems related to Investment in Distributed Generation.

We, in New Hampshire, are in a great position to become leaders in the nation as true "Green" entrepreneurs, enticing future business development across the state. We are not the first state to set lofty goals for renewable energy. Our 25% RPS goal for 2025 is similar to many other states, even in New England. However, we have the advantage of actually attaining that goal. We have promoted our desire for leadership in this new industry, yet I am fearful that continued delays in project implementation will cause us to take steps backwards in our capability to achieve our renewable energy goals.

Like any project that is proposed, a good financial model must be created to determine the economic feasibility over the lifetime of the project. As is the case with most renewable energy projects, the proposal from Unutil shows a benefit-cost analysis less than 1, looking only at the direct, quantifiable costs and savings over the first 20 years of this project. I'd argue that the assumptions used in the Unutil proposal are conservative and the benefits may be quite greater, but this assumes many unknowns, which is expected for these long-term projects.

This proposal assumes modest electric price escalation over 20 years. This is hard to forecast, but we expect more economic growth in New England, which will require more power. Current power plants utilize diminishing natural resources that are being faced with greater regulatory challenges that will most certainly lead to price instability.

The proposal also assumes that the price for a "new Solar" Renewable Energy Certificate (RECs) will be attainable for less than the alternative compliance payment (ACP). Unutil has already had to seek out-of-state certificates for these RECs. As other states are increasing their RPS percentages for RECs, there is no guarantee that ANY of these will be available for purchase, especially if projects like this one are not implemented. It is difficult to promote your state as a leader in renewable energy when your utilities are forced to buy RECs out-of-state. At UNH, we were proud to sell the first RECs generated from our landfill gas to energy project, called ECOline, to a NH utility (Unutil).

It is not uncommon to have ratepayers responsible for programs that have a B/C ratio less than 1. Many low-income programs list other societal benefits that are also taken into consideration for weatherization and other programs. Many efficiency programs, when first introduced, also have lower cost effectiveness but are essential for what is called market transformation. If a program is not helped along at first, there is no incentive for others to make a commitment in trying a new technology (the introduction of compact fluorescent light bulbs is a successful example of this).

This project would serve as the first major investment for PV technology in municipal buildings. Using real-time data to display via the web, we can promote the benefits of this project to other towns and businesses in New Hampshire. If we wait for renewable projects to all pass arbitrary benefit-cost ratio thresholds, we lose the ability to slowly transform the market so investment becomes the norm.

To create and keep jobs in New Hampshire, we will need to actually invest in the ideas that we say are important to the growth of our state. We cannot wait for a scattering of small renewable energy projects to convince the majority that it is the right thing to do. In only a few years, hundreds of town energy committees have been created throughout New Hampshire. Most want to take action in reducing greenhouse gas emissions and reliance on fossil fuels but have few examples to turn to. I believe the Unitil proposal has far more benefits than are being quantified and can be used to help propel New Hampshire to becoming the leader in this new industry that we all hope it is.

Sincerely,

A handwritten signature in black ink, appearing to read "M O'Keefe". The signature is fluid and cursive, with the first name "Matthew" and last name "O'Keefe" clearly distinguishable.

Matthew O'Keefe