

THE STATE OF NEW HAMPSHIRE

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DE 10-188
Exhibit #5
Witness Panel 1

December 13, 2010

Debra Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-7319



RE: SB323 Energy Study Funding Proposal

Dear Ms. Howland:

We are writing to report on the process conducted by the SB 323 Study Coordination Team to determine the available funding source(s) for the SB 323 Study, and to provide Staff's recommendation on a funding approach.

As you know, SB323 requires that the Commission, in consultation with the EESE Board, hire an independent consultant to study a range of energy efficiency and renewable energy issues (available at <http://www.gencourt.state.nh.us/legislation/2010/SB0323.html>). EESE Board Chairman Dick Ober appointed a committee, the "SB 323 Study Coordination Team," to work with the Commission to conduct the consultant selection process and oversee the study development process.¹ On October 29, 2010, the Commission approved the Team's recommendation that Vermont Energy Investment Corporation (VEIC) be retained to conduct the study.

In addition to selecting the consultants who will conduct the study, the Team has also worked to identify funding available to conduct the SB323 Study. The legislation caps the total cost of the study, and provides guidance on how it should be funded:

The public utilities commission shall utilize in the first instance available funding for monitoring, evaluation, and verification of existing programs, to the extent feasible, in support of this study. The commission may supplement these funds as needed by utility assessment pursuant to RSA 365:37.

Chapter 335:1 III of 2010.

¹ SB323 Study Coordination Team members are: Clifton Below, PUC Commissioner, Dan Feltes, NH Legal Assistance, Tom Frantz, PUC Electric Division, George Gantz, Unitil, Gil Gelineau, PSNH, Meredith Hatfield, Office of Consumer Advocate, Michael Licata, NH Business & Industry Association, Joanne Morin, NH Office of Energy & Planning, Jack Ruderman, PUC Sustainable Energy Division, and Deborah Schachter, NH Charitable Foundation.

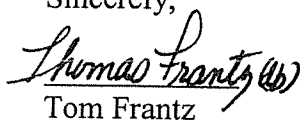
In order to determine what funds are available for monitoring and evaluation of existing programs to support the SB323 Study, the Team sought information from the program administrators of existing programs. They included the utility-administered Core electric and natural gas efficiency programs, the Greenhouse Gas Emissions Reduction Fund (GHGERF) and the Renewable Energy Fund (REF), and federal funds administered by the Office of Energy and Planning (OEP). At this time, funds are available in the Core electric and natural gas budgets for 2010 and 2011 for monitoring and evaluation. The attached spreadsheet provides the current status of the Core electric and natural gas monitoring and evaluation budgets. No funds are available from GHGERF or REF. A limited amount of funds may be available from the federal weatherization program in 2011, and the Team will continue to work with OEP to explore the availability of those funds to support the SB323 Study.

As a result of this review, we respectfully recommend that:

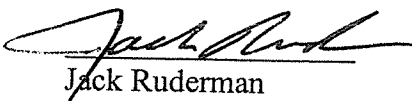
- a. The Commission invoice the Core Gas and Electric Energy Efficiency Program Administrators immediately for 80% of the expected SB323 study charges on a pro-rata basis based on the sum of the 2010 energy efficiency budgets and proposed 2011 energy efficiency budgets.
- b. Until such time as the Commission receives and approves invoices from the SB323 consultant that exceed 80% of the expected SB323 study costs, the SB323 Study Coordination Team will continue to work to identify and secure supplemental funds which may be available to support the SB323 Study.
- c. When the cumulative invoices from the SB323 consultant exceed the 80% level, the Commission shall first credit any supplemental funds to the outstanding bills, and then shall invoice the remaining amounts to the Utility Program Administrators in the same manner as indicated in paragraph a.
- d. The Commission authorizes the Utility Program Administrators to recover the costs of the SB323 study allocated to each through their respective energy efficiency monitoring and evaluation budgets for 2010 and/or 2011.

Thank you for your consideration. Please do not hesitate to contact us if you require further information.

Sincerely,


Tom Frantz

and


Jack Ruderman

cc: Richard Ober, EESE Board Chairman
DE 10-188 Core electric and natural gas docket service list

Energy Efficiency Program Budgets

November 22, 2010

<u>Program</u>	<u>Administrator</u>	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>2010 + 2011</u>	<u>Pro Rata Share¹</u>
CORE Electric	National Grid	1,496,054	1,543,559	3,039,613	5.6020%
	NHEC	1,173,344	1,209,726	2,383,070	4.3920%
	PSNH	14,905,496	14,281,326	29,186,822	53.7916%
	Unitil	2,777,970	2,299,021	5,076,991	9.3569%
	Total CORE Electric	20,352,864	19,333,632	39,686,496	73.1426%
Natural Gas	National Grid	5,385,328	6,766,682	12,152,010	22.3963%
	Unitil	1,356,570	1,064,003	2,420,573	4.4611%
	Total Natural Gas	6,741,898	7,830,685	14,572,583	26.8574%
Total All Efficiency Programs		27,094,762	27,164,317	54,259,079	100.0000%

1. Program administrators to be invoiced on the pro rata share indicated in this column.

SB 323 invoices should be sent to the following:

National Grid Invoices

Angela Li
National Grid
201 Jones Rd 5th Fl
Waltham, MA 02451-1613

New Hampshire Electric Cooperative

Carol Woods
New Hampshire Electric Cooperative
579 Tenney Mountain Highway
Plymouth, NH 03264

Public Service of New Hampshire

Thomas Belair
780 North Commercial St
Manchester, NH 03101

Unitil Energy Systems Inc

Thomas Palma
Unitil Energy Systems Inc
6 Liberty Lane West
Hampton, NH 03842