THE STATE OF NEW HAMPSHIRE

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February 15, 2013

Debra A. Howland, Executive Director N.H. Public Utilities Commission 21 South Fruit Street, Suite 10 Concord, NH 03301



Re:

DE 12-262 2013-2014 CORE NH Electric and Gas Energy Efficiency Programs Home Performance with Energy Star program (HPwES) for Gas Customers Report and Clarification on HPwES Rebate Pursuant to Order No. 25,462

Dear Ms. Howland:

As directed by the Commission in its Order No. 25,462 dated February 1, 2013 in Docket No. DE 12-262, Staff and the parties respectfully submit the following confirmation and clarification regarding the Commission's interpretation of the HPwES program for gas customers. *Order Approving Energy Efficiency Programs*, Order No. 25,462 at 20 (Feb. 1, 2013). Order No. 25,462 describes the increased rebate available to gas customers via the HPwES program and states: "Our understanding presumes that the rebates will be used toward projects contained within the existing HPwES programs, that the combined rebates will be for approved programs only, and that such measures will continue to meet the cost-effectiveness* test." Order No. 25,462 at 17.

Staff and parties confirm the Commission's interpretation of the HPwES rebates for gas customers as stated in Order No. 25,462, subject to the slight clarification regarding the cost-effective test set forth in paragraph 2 below.

- 1. As provided in Order No. 25,462, the measures to be offered to gas customers will be the same measures currently offered to all HPwES customers as contained in Attachment A to the Settlement Agreement filed with the Commission on December 14, 2012. The updated Attachment A was entered as Exhibit 2 at hearing. Therefore, the addition of up to \$4,000 in rebate funds (matched by the customer's own funds, dollar for dollar) will not add any new energy efficiency programs or measures which have not yet been approved by the Commission.
- 2. Order No. 25,462 indicates that the measures permitted in the HPwES program must meet the cost-effectiveness test. *See* Order No. 25,462 at 17. To clarify, the utilities analyze the cost-effectiveness of a HPwES project based on the recommended energy efficiency measures as a package of measures, rather than by individual measures. *See Tr. of Hearing in Docket No. DE 12-262* at 61:9-16 (Dec. 21, 2012). This is consistent with the way home weatherization projects

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have been screened and implemented by the HPwES program. Such an approach allows for a more comprehensive and cost effective energy efficiency package to be delivered to customers, including health and safety measures. Accordingly, Staff and the parties clarify that in the HPwES program, projects (which can include multiple measures), rather than individual measures, will continue to meet the cost-effectiveness test.

Sincerely,

Marcia A. Brown Staff Attorney

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cc: Docket Related Service List