

THE STATE OF NEW HAMPSHIRE

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September 30, 2013

Debra Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: DE 12-262 Core Electric and Gas Energy Efficiency Programs
Staff Recommendation on Utilities' Request for Temporary Increase
in HEA Program Cap from \$5,000 to \$8,000

Dear Ms. Howland:

On July 26, 2013, the Commission authorized a temporary increase in the cap on the HEA program from \$5,000 to \$8,000. In Order No. 25,554, the Commission stated:

"While we support the change, we will approve it on a temporary basis. We direct interested parties to consult to develop a recommendation regarding the appropriate per household spending cap once federal funding levels are finalized and monies are received...When federal funds do become available, we expect that such funds will be used in collaboration with 2013-2014 Core funds. Such leveraging has the potential for nearly doubling the number of homes served and vastly increasing the level of services provided. ." (Order No. 25,554, page 3).

On September 16, 2013, at the Quarterly Core Team Meeting, Staff and the parties discussed the increase in the cap from \$5,000 to \$8,000. The first issue discussed pertained to the availability of funding from the U.S. Department of Energy/Weatherization Assistance Program (DOE/WAP). The utilities and the Office of Energy Planning (OEP) noted the lack of information pertaining to the DOW/WAP funding. They noted that federal funding for the WAP is secured via a grant to the OEP, which distributes the funds among the Community Action Agencies (CAA). For the year ending March 31, 2014, the WAP allocation is \$1,186,108. Given the timing of the release of funds by the DOE/WAP, monies are not expected to be available to the CAA to spend until October 2013. Further, OEP also noted that there is no guarantee that the full amount of fiscal year April 2013 to March 2014 funds of \$1,186,108 will be received from DOE/WAP. When asked if any party objected to increasing the cap from \$5,000 to \$8,000 for the 2013 Program Year, no one objected. At the end of the discussion, PSNH agreed to provide a letter to the Commission seeking an increase in the cap from \$5,000 to \$8,000 for the remainder of Program Year 2013 and that letter was filed on September 27, 2013.

In its letter, PSNH, on behalf of the Core electric utilities, requested that the Commission retain the temporary increase in the cap for the remainder of the 2013 Program Year. PSNH noted that, due to the uncertainty of DOE/WAP funding, the ability to leveraging Core funds for the remainder of 2013 was being compromised and customer goals might not be achieved. Also, due to the uncertainty of DOE/WAP funding, the filing that the Commission required pertaining to a recommendation on the cap was being compromised. Accordingly, the Core electric utilities recommended that the temporary increase in the cap to \$8,000 by Order No. 25,554 be permitted to continue through the remainder of 2013. PSNH noted that the parties were in agreement with this recommendation (OCA, The Way Home, DES, OEP, CAA the Community Action Agencies, TRC and the Jordan Institute). Finally, the Core electric utilities indicated they filed their Program Year 2014 Program Year Update on September 13, 2013, including a recommendation on the HEA program cap. PSNH notes that the Commission will have an opportunity to address any decision about the increase in the cap for Program Year 2014 apart from any determination that it might make for the remaining months of 2013.

Given the uncertainties of DOW/WAP funding and the related impacts compromising the ability to leverage funds and the planning to achieve customer goals for the remainder of 2013, Staff supports the recommendation to continue the \$8,000 cap for the remainder of 2013.

Sincerely,



Marcia A Brown
Staff Attorney

cc: Service List