

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: October 21, 2020

AT (OFFICE): NHPUC

FROM: Jay E. Dudley, Utilities Analyst - Electric Division

JED

SUBJECT: Docket DE 17-136 2018 – 2020 New Hampshire Statewide Energy Efficiency Plan

TO: Commission
Debra A. Howland, Executive Director

CC: Tom Frantz, Director Electric Division
Liz Nixon, Utilities Analyst – Electric Division
Paul Dexter, Staff Attorney

On August 6, 2020, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (Liberty or Company) filed a letter via electronic mail with the New Hampshire Public Utilities Commission (PUC or Commission) requesting approval to transfer \$500,000 from Liberty's 2019 Carryover funds to the Company's Electric Efficiency On-bill Financing Program, raising the total pool of funds available under the Program to \$953,000. Staff recommends that the request be approved as submitted.

Description of Proposed Transfer

Liberty states that it experienced a carry-forward balance from its 2019 energy efficiency programs in the amount of \$1,278,420 due to an over-recovery for those programs. The Company proposes to utilize \$500,000 of this carry-over amount to add to its available balance of funds for its On-bill Financing Program. Liberty represents that in 2020 it has seen a significant increase in requests from customers for on-bill financing of energy efficiency improvements and that the transfer of the additional funds will allow it to meet this increase in demand and expand the on-bill financing offerings for residential, commercial, and industrial customers for the remainder of the year. The Company states that as of the 2020 First Quarter Report, the On-bill Financing Program had an available balance of \$307,568 and that it expects its Second Quarter Report to show a balance of available funds to be approximately \$168,000. Liberty projects, based on the current level of customer requests, to have an end of Third Quarter available balance of negative \$410,000. Liberty argues that by adding \$500,000 to the fund for on-bill loans will allow Liberty to serve more customers through the program. In addition, the Company points out that on December 31, 2018, in Order No. 26,207 in the above-referenced docket, the Commission approved (by extension) a similar transfer as part of its approval of the settlement agreement relating to the implementation of the 2019

Update to the Energy Efficiency Resource Standard. In the 2019 Update, Liberty outlined its plan to add \$150,000 of its 2017 Carryover funds to the Company's Electric Energy Efficiency On-Bill Financing Program.¹

Staff's Recommendation

Staff has reviewed the Company's request. It is Staff's opinion that based on a review of the 2019 Plan Update, as it relates to funds carried forward for future years, a request to use such funds for a specific purpose other than a general rollover appears to require Commission approval as a program change.² Staff believes that the proposed transfer of carry-over funds from 2019 in the amount of \$500,000 to Liberty's On-bill Financing Program is reasonable given that Liberty will utilize funds that would otherwise remain unused since those funds would be rolled into the next triennial plan as an over-collection. As proposed, Liberty's plan puts this money to use saving energy right away for customers across all rate classes that have expressed a growing need to finance energy efficiency improvements. Moreover, under the current on-bill program, loans are repaid and reused for future energy savings due to the revolving nature of the fund. Therefore, Staff recommends that the Commission authorize Liberty to transfer \$500,000 in 2019 carry-over funds to Liberty's On-bill Financing Program as outlined above.

¹ See New Hampshire State-wide Energy Efficiency Plan 2019 Update; dated January 15, 2019, at Bates 32-33.

² *Id.* at Bates 10.

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