

DE 01-057

ELECTRIC UTILITY ENERGY EFFICIENCY CORE PROGRAMS

Joint Petition for Approval of Core Programs

Order Following Pre-Hearing Conference

O R D E R N O. 23,705

May 17, 2001

APPEARANCES: Gerald M. Eaton, Esq. for Public Service Company of New Hampshire; Amy G. Rabinowitz, Esq. for Granite State Electric Company; LeBoeuf, Lamb, Greene & MacRae LLP by Scott J. Mueller, Esq. for Concord Electric Company and Exeter & Hampton Electric Company; John Alexander for Connecticut Valley Electric Company; Robert Reals for New Hampshire Electric Cooperative, Inc.; New Hampshire Legal Assistance by Alan M. Linder, Esq. for the Save Our Homes Organization; Jane M. Doherty for the Environmental Responsibility Committee of the Episcopal Diocese of New Hampshire, the Province I Environmental Network of the Episcopal Church and New Hampshire Interfaith Power and Light; Meredith A. Hatfield, Esq. for the Governor's Office of Energy and Community Services; Joanne O. Morin for the New Hampshire Department of Environmental Services; Office of Consumer Advocate by Kenneth Traum on behalf of residential ratepayers; and Donald M. Kreis, Esq. for the Staff of the New Hampshire Public Utilities Commission.

I. BACKGROUND AND PROCEDURAL HISTORY

This proceeding grows out of our Order No. 23,574 (November 1, 2000) in Docket No. DR 96-150, approving with certain modifications the recommendations of the New Hampshire Energy Efficiency Working Group (Working Group) relative to the future of ratepayer-funded energy efficiency initiatives in New Hampshire in light of the significant changes mandated by the Electric Industry Restructuring Act, RSA 374-F. In

Order No. 23,574, we directed the state's electric utilities to work together on the development of a set of "core" energy efficiency programs that would assure a baseline level of uniformity and consistency in this important aspect of industry restructuring across the state. We directed the utilities to file a petition seeking approval of the Core Programs on or about January 1, 2001, with specified deadlines for utility-specific programs thereafter. The Commission subsequently extended the deadline for the Core Programs filing to March 15, 2001.

On March 14, 2001, the Core Programs filing was submitted to the Commission on behalf of Concord Electric Company (Concord), Connecticut Valley Electric Company (CVEC), Exeter and Hampton Electric Company (E&H), Granite State Electric Company (GSEC), New Hampshire Electric Cooperative, Inc. (NHEC) and Public Service Company of New Hampshire (PSNH) (collectively, the Electric Utilities). The Commission thereafter issued an Order of Notice scheduling a Pre-Hearing Conference, requiring public notice of the Pre-Hearing Conference through publication of the Order and establishing a deadline for intervention petitions.

In its Order of Notice, the Commission granted the request of the Electric Utilities to open a new docket to

consider the Core Programs, rather than conduct the instant proceeding under the aegis of the Commission's omnibus and longstanding restructuring docket, DR 96-150. The Electric Utilities reasoned, and we agreed, that in light of the voluminous service list and roster of intervenors in Docket No. DR 96-150, it would be reasonable to require each DR 96-150 party desiring to participate in the instant proceeding to indicate that intention affirmatively. Accordingly, we set a deadline for the DR 96-150 parties to indicate such an intention on the same date as our general deadline for intervention in this docket.

The Order of Notice was duly published and, thereafter, the Commission received timely intervention petitions from the Conservation Law Foundation (CLF); the Environmental Responsibility Committee of the Episcopal Diocese of New Hampshire, the Province I Environmental Network of the Episcopal Church and New Hampshire Interfaith Power and Light (appearing jointly and collectively referred to here as the Diocese); the Governor's Office of Energy and Community Services (GOECS); the New Hampshire Department of Environmental Services (DES) and the Save Our Homes Organization (SOHO). The Commission also received requests for limited intervention from New Hampshire Ball Bearing, Inc.

and Energy North Natural Gas d/b/a Keyspan Energy Delivery New England. The Office of Consumer Advocate (OCA) exercised its authority to enter an appearance on behalf of residential ratepayers.

The Pre-Hearing Conference took place as scheduled on May 3, 2001. The Commission considered the pending intervention petitions and, thereafter, heard statements of preliminary positions from the parties and Commission Staff (Staff). Subsequent to the Pre-Hearing Conference the parties and Staff conducted a technical session for the purpose of seeking agreement on a proposed procedural schedule to govern the remainder of this proceeding. On May 4, 2001, Staff filed a letter with the Commission indicating that such an agreement had been reached and outlining the proposed schedule that had been agreed upon.

II. PETITIONS TO INTERVENE

There were no objections to any of the petitions for intervention and limited intervention. Accordingly, the Commission granted all pending petitions at the Pre-Hearing Conference.

III. PRELIMINARY POSITIONS OF THE PARTIES AND STAFF

a. The Joint Filing

According to the written filing made by the Electric Utilities on March 14, 2001, each of the state's electric utilities propose to offer core energy efficiency programs consisting of the "Energy Star" homes program, the "Energy Star" appliances program, a residential lighting program, a residential retrofit program, low-income energy efficiency services program and a rebate program targeted to new construction by commercial and industrial customers. In addition, each of the utilities except CVEC proposes a core program involving the retrofitting of facilities of large and small commercial and industrial customers. Finally, all of the utilities except CVEC propose core programs for retrofitting efficiency measures for both large and small commercial and industrial customers.

b. Public Service Company of New Hampshire

PSNH indicated its support for the proposed core programs and indicated that it looked forward to addressing the concerns of the intervenors and Staff so that the next step can be taken and company-specific energy efficiency programs be submitted to the Commission.

c. Granite State Electric Company

GSEC noted that the proposed core programs incorporate work of the Energy Efficiency Working Group and

should be adopted because they assure a baseline level of consistency throughout the state.

d. Exeter & Hampton Electric Company and Concord Electric Company

The jointly owned E&H and Concord indicated their support for the core programs filing and the policy initiatives contained therein.

e. Connecticut Valley Electric Company

CVEC noted that it faces unique challenges with regard to the core programs because it has not yet been restructured and because, in 1998, the Commission approved its proposal to terminate all conservation and load management programs. See Order No. 22,892 (April 1, 1998). CVEC also noted that its affiliate, Central Vermont Public Service Company, offers no energy efficiency programs because in Vermont such programs are offered by a separate energy efficiency utility. CVEC noted that, as required by Order No. 22,892, it has been keeping a log of all customer inquiries related to conservation and load management.

f. New Hampshire Electric Cooperative

NHEC indicated that it was actively involved in preparing the core programs filing, supports the initiative and looks forward to working out details with the intervenors and Staff.

g. Save Our Homes Organization

SOHO noted that its primary interest is the low-income aspects of the proposed core programs. He indicated that the proposal is consistent with the approach advocated by the Commission's Low Income Working Group, that it will be helpful to receive more details about the functioning of the proposed core programs, particularly in the areas of customer education and marketing.

h. Governor's Office of Energy and Community Services

GOECS commended the utilities for their joint filing, noting that when the core programs are implemented New Hampshire will be among only a handful of states with adequate funding for energy efficiency programs. However, GOECS suggested that a truly collaborative process had not yet taken place because parties other than the utilities had not been truly involved in the development of the core programs proposal.

GOECS noted that the System Benefits Charge (SBC) funds that will pay for the core programs are public funds. Therefore, according to GOECS, it is vital that the public have a voice in the design and implementation of such programs.

GOECS noted that it already administers certain

federally funded energy efficiency initiatives. According to GOECS, these programs could be folded into the SBC-funded core programs. An example noted by GOECS was its "Industries of the Future" program.

In the view of GOECS, the core programs under discussion here should not be a mere continuation of past programs. According to GOECS, it was consulted by the utilities briefly, at the conclusion of the development of the core programs filing, but did not truly have an opportunity to participate in the process. GOECS took the position that the proposal in its present form does not comply with Order No. 23,574 or the recommendations of the Energy Efficiency Working Group. Therefore, GOECS recommended that the utilities consider "returning to the drawing board" and including other parties in program design efforts.

h. Office of Consumer Advocate

OCA indicated that it was in general agreement with the views of GOECS. OCA indicated that it advocates statewide administration of energy efficiency programs and views the core programs filing as a positive step. According to OCA, the Commission should consider the possibility of a separate energy efficiency utility as exists in Vermont. OCA indicated that it was willing to let the current process "play out,"

noting that much work lay ahead before actual program implementation.

i. Department of Environmental Services

DES voiced support for the establishment of a separate entity to administer energy efficiency programs, noting that Vermont's initiative has been successful. According to DES, such an entity could be an existing nonprofit organization, GOECS or some mix of existing organizations. DES noted that 25 states have statewide energy efficiency programs with seven providing for utility administration, six having an independent administrative entity and five using some kind of "hybrid" form of organization.

j. Environmental Responsibility Committee of the Episcopal Diocese of New Hampshire,, the Province I Environmental Network of the Episcopal Church and New Hampshire Interfaith Power and Light

The Diocese expressed concerns about a lack of utility accountability and a lack of structure for coordination in the proposed core programs. According to the Diocese, the relevant performance criteria should be the same from one utility to another and there should be a better effort to evaluate program effects. The Diocese voiced support for the cost effectiveness test set forth in the report of the Energy Efficiency Working Group.

a. Staff

Staff indicated that it would be improvident to relitigate issues already decided in Order No. 23,574 - particularly the decision to require a core programs filing of the utilities rather than the establishment of an Energy Efficiency Committee. Staff indicated that it is generally supportive of the proposed core programs but looked forward to working with the utilities and intervenors to ascertain and refine the details of the proposal.

IV. PROCEDURAL SCHEDULE

At the conclusion of the Pre-Hearing Conference, the parties and Staff conducted a technical session for the purpose of agreeing upon a proposed procedural schedule. On May 4, 2001, Staff advised the Commission in writing of the following proposed schedule:

Utility working groups to provide written report to Staff and intervenors	June 1, 2001
Technical session concerning residential issues	June 7, 2001
Technical session concerning commercial/industrial issues	June 8, 2001
Responses by utilities to data requests posed at technical sessions	June 29, 2001
Optional supplemental filing by utilities	July 2, 2001
Deadline for rolling data requests	July 13, 2001

to utilities

Settlement Conference	July 30, 2001
Deadline for data responses from utilities	August 8, 2001
Pre-filed testimony from intervenors	August 13, 2001
Deadline for rolling data requests to intervenors	August 20, 2001
Deadline for data responses from intervenors	August 31, 2001
Pre-filed testimony from Staff	September 10, 2001
Deadline for rolling data requests to Staff	September 17, 2001
Deadline for data responses from Staff	September 26, 2001
Settlement Conference	October 3, 2001
Deadline for submission of settlement agreement	October 12, 2001
Merits hearing	October 30-31 and November 1, 2001
Staff noted that the objective was to "front load" the procedural schedule with opportunities for the petitioning utilities to provide additional details about their planned core programs, to explain to the extent possible the relationship between the core programs and the planned utility-specific initiatives and, potentially, to reach	

agreement with intervenors and Staff on some or all of the issues in the docket. In that regard, the proposed date for an "optional supplemental filing" is to give the utilities an opportunity to revise or to supplement their filing to reflect any such agreements.

V. COMMISSION ANALYSIS

We have reviewed the proposed procedural schedule and conclude that it is reasonable especially because it affords an opportunity for intervenors, the utilities and staff to resolve the issues noted herein. Therefore, we will approve it to govern the remainder of the proceedings in this docket.

**Based upon the foregoing, it is hereby
ORDERED,** that the proposed procedural schedule outline above is approved.

By order of the Public Utilities Commission of New Hampshire this seventeenth day of May, 2001.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary