Thanks again for a very informative session to begin the new year! In keeping with previous meetings, below is a recap of some of the key takeaways from the meeting:

1. Utilities Presentation: MA Performance Incentive Model w/NH Applications
   - Benefits-centric model instead of primary focus on kWh or MMBtu.
   - Incorporates established NEI’s – NEI study for NH currently underway.
   - Based on 75% minimum savings threshold and 75% of gross benefits (does not incorporate 55% minimum for electric).
   - Portfolio based approach (not sector based) – allows for lower scoring residential projects and income eligible projects to be included without separating.
   - Minimum benefit/cost ratio maintained at 1.0.
   - Based on 3-year planning period – not likely to be replicated in NH version(?).
   - Total dollars allocated to PI are part of a total PI “pool” divided among the utilities.
   - PI is based on budget and not actual spending – a departure from current PUC precedent.
   - Target PI divided between 62% savings and 36% value with additional 2% to be split between potential demand savings and low income metrics. Cap on PI remains at 6.875%.
   - Still to be determined:
     - Demand reduction component (active and passive? summer and winter?).
     - Additional low income metric.
     - Note: active demand component and renter’s component of model are still under review in MA.
     - Consideration of incorporating both lifetime savings and actual savings on a percentage weighted basis.

2. Electrification/Optimization:
   - Unresolved: Should the PI Working Group continue with devising metrics to promote electrification/optimization in NH in the absence of specific policy guidance and/or directives from the legislature or the Commission? Absence of a clear action plan?
   - Needed “ground work” has yet to be initiated, e.g. research of best practices, market development, consumer outreach and education, rate design, infrastructure assessments and grid mod, integration of renewables and emissions targets, etc.
     - Upcoming “Energy Optimization Through Fuel Switching Study” may not be completed in time to inform the group’s work – deadline of June 2019.

3. Homework Assignments:
   - Utilities to provide their “illustrative” model based on 2017 results.
   - OCA to provide presentation on a NH version of VT’s QPI methodology.

4. Next meeting: February 21, 2019, 9:00 – 12:00 Hearing Room A

Thank you all,

Jay Dudley