

NH Energy Efficiency Resource Standard

(Funding Discussion)

August 21, 2015

NHSAVES
we all win



SAVE THE PLANET, SAVE @ HOME.
SAVE ENERGY AT HOME. HELP PROTECT YOUR FAMILY'S FUTURE.



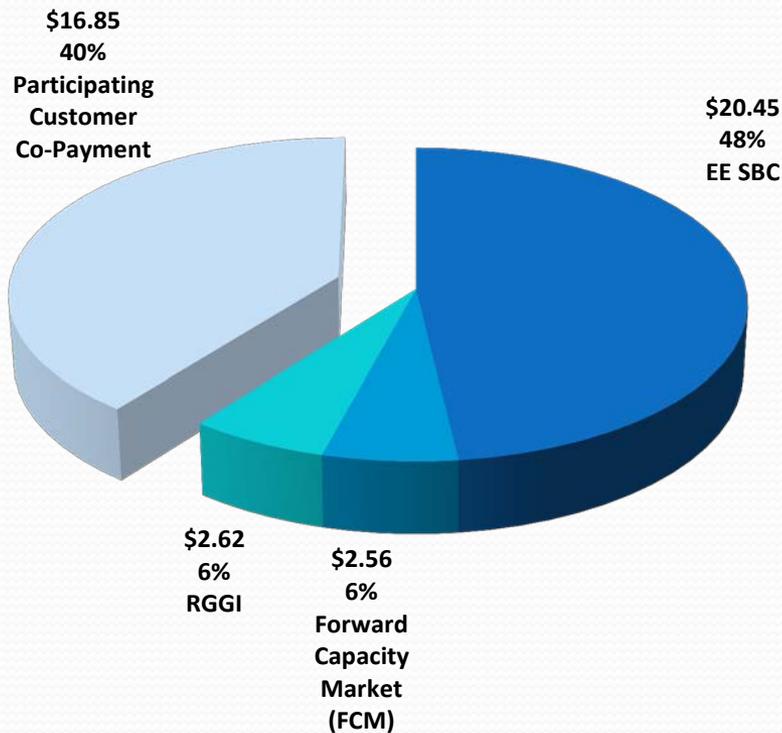
SAVE ENERGY. SAVE @ MUNICIPALITIES.
SAVE ENERGY AND USE THE EXTRA RESOURCES TO IMPROVE YOUR TOWN'S ROADS.

In Order to Achieve Increased Savings Targets Under an EERS...

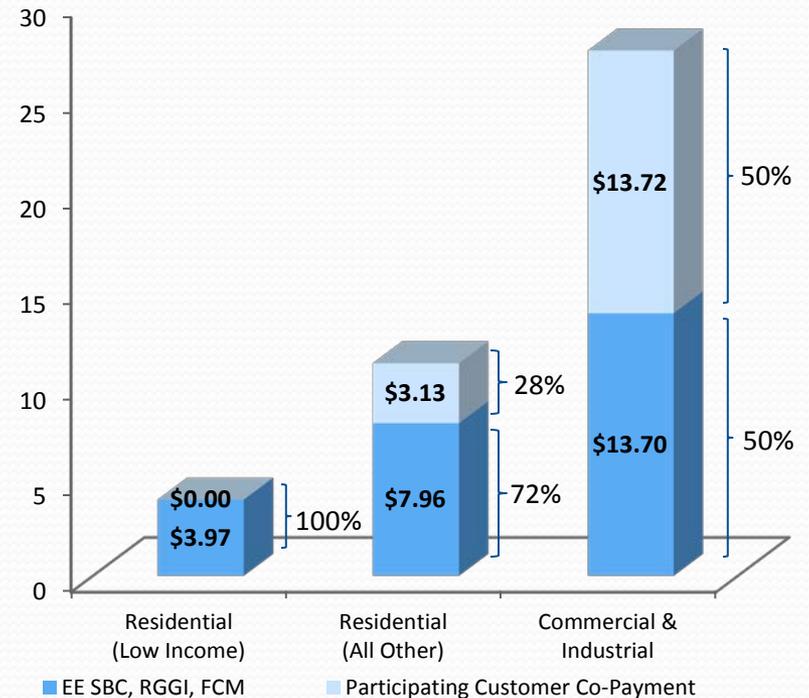
- ❖ The most reliable and practical funding source is utility customers
 - Lesson learned from MA efforts to locate a source of private funding
 - “Limiting utility system funding to current SBC + RGGI + FCM would negate the ability to raise current annual savings at all. The notion of “greater private-sector investment” is unrealistic.” (Dr. Martin Kushler, Senior Fellow, ACEEE, presentation to the Electric Utility Restructuring Legislative Committee, May 14, 2015)
- ❖ Financing alone will not support significant increased energy efficiency activity
 - Lesson learned from neighboring New England states that have significantly scaled up their EE programs (Leverage the capital of local financial institutions to reduce a market barrier to EE investment)
 - “We agree that financing is an important and useful tool, and we encourage efforts to experiment with new strategies in order to extend financing’s reach. However, financing should not be the only tool in our kitbag. Lack of access to capital is just one of the key barriers to energy efficiency, and not all customers want to or can access financing.” (NEEP website – reference to ACEEE’s blog authored by Steve Nadal)
 - “Finance is Necessary, But Not Independently Sufficient – Availability of finance can drive development of EE projects, but financing alone, or simply the existence of available investment capital, is not sufficient to move the market.” (Strategies for Energy Efficiency Finance, December 2014, Regulatory Assistance Project)

Electric – Current Energy Efficiency Funding*

By Source
(millions)

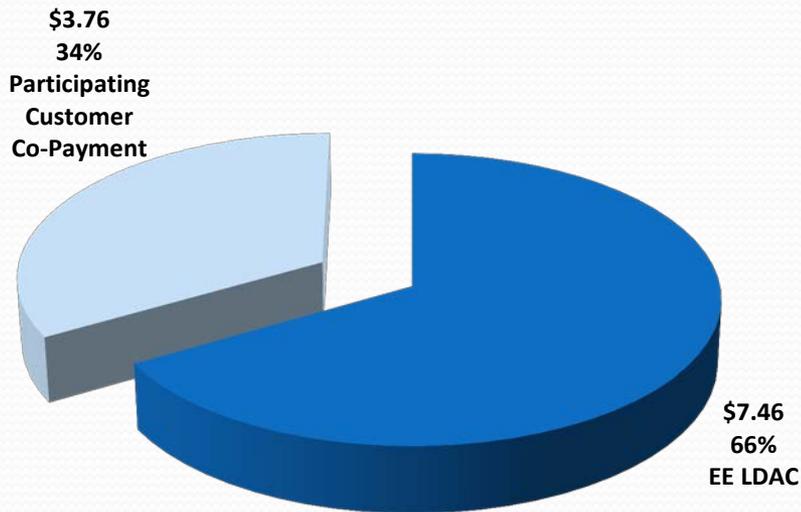


By Sector
(millions)

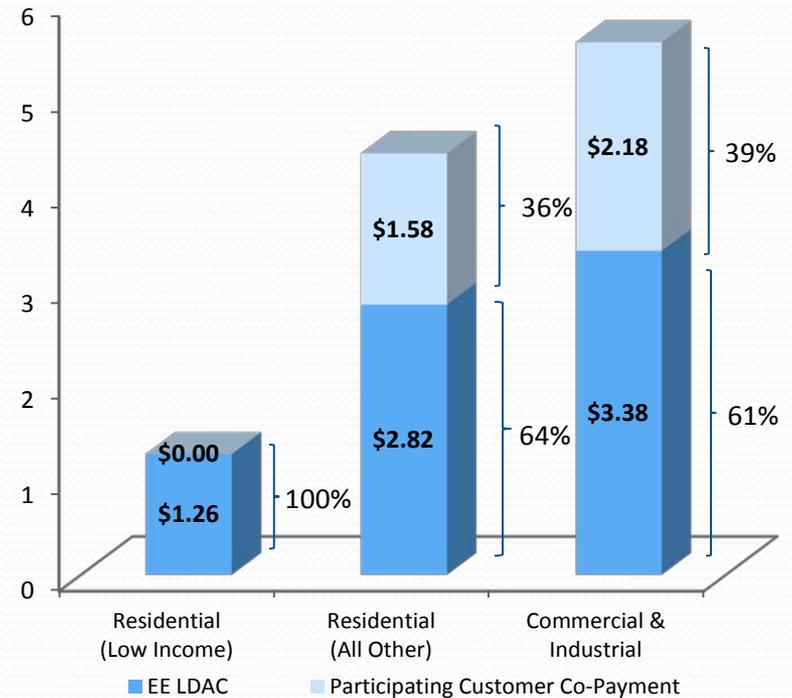


Natural Gas – Current Energy Efficiency Funding*

By Source
(millions)



By Sector
(millions)



Current Finance Options to Help Program Participants With Their Co-Payment

Utility-administered options:

- ❖ On-bill financing
 - Revolving loan options have limited growth potential
- ❖ Third-Party financing through local financial institutions
 - Initial results are positive and encouraging
 - Allows for scalability
 - Utilizes the financial sector to process loans
 - MA has a vibrant Third-Party Finance Option – proven model

Other options:

- ❖ Personal loans, Home Equity loans, Lines of Credit
- ❖ C-PACE

Other States Have Funded an Increase in EE Program Activity By...

- ❖ Directing RGGI proceeds to energy efficiency
- ❖ Establishing new rate structures to recover incremental energy efficiency program costs
 - MA – Energy Efficiency Reconciliation Factor (EERF)
 - CT – Conservation Adjustment Mechanism (CAM)

In NH, the resulting funding and savings targets must strike a balance between...

- All achievable, cost-effective energy efficiency that can be attained during the period
- Capability of program delivery channel network to support increased activity
- Bill impacts resulting from increased energy efficiency