New Hampshire CORE Utilities
Response to Greenhouse Gas Emissions Reduction Fund RFP

March 20, 2009

1.1. Program Title: *RGGI Expansion - CORE Energy Efficiency Programs (RE-CORE)*

1.2. Program Type: *RE-CORE* is a portfolio of programs for residential, low-income, and business customers. It is based on the CORE Energy Efficiency Programs approved by the New Hampshire Public Utilities Commission in docket DE 08-120. *RE-CORE* proposes to expand both the funding and the program features available to customers through the CORE Programs. The specifics of the proposed expansions will be discussed in other sections of this Response. The suite of proposed programs includes initiatives in all 11 of the categories identified in PUC 2604.01 (c).

1.3. Program Summary: *RE-CORE* is based on the CORE Programs which include four residential programs, a low-income program, and three programs designed to assist businesses. The residential programs promote and incent lighting, appliances, new home construction, and fuel neutral weatherization of existing homes. All of these programs leverage the Energy Star brand and efficiency standards. The low-income program provides fuel neutral weatherization services and is a collaborative effort with the state's six Community Action Agencies. Support for New Hampshire businesses include two retrofit programs – one tailored for small businesses and the other designed for large businesses. These programs provide technical assistance and financial incentives to install any cost-effective measure that will reduce electric usage in existing facilities. In addition, there is a companion program for businesses featuring technical and financial assistance for new equipment and construction.

RE-CORE builds on the foundation provided by the CORE Programs and proposes numerous new program elements including: multi-family fuel neutral weatherization services, expanded financing alternatives, passive solar incentives, air conditioner and refrigerator recycling, library-based residential usage monitors, and retro-commissioning for business customers. In advancing these new program elements, the Utilities have attempted to address opportunities identified in the Commission's recently completed energy savings potential study. In addition, the Utilities have reached out to the Home Builders and Remodelers Association of New Hampshire to propose a new Green Buildings program and to the Community Technical Colleges to develop a program to train contractors in state of the art weatherization techniques.

1.4. Low Income Residential Customer Qualification: While low income customers may avail themselves of any of the residential programs, the Home Energy Assistance (HEA) Program is targeted specifically for this customer segment. A total of 19% or $1,183,647 of the RGGI program funds requested would be designated for the HEA

Program.

1.5. Identification of Applicant Organizations: This proposal is submitted by the four CORE Utilities on behalf of their customers and members:

Granite State Electric Company
d/b/a National Grid
9 Lowell Road
Salem, NH 03079
Domestic Corporation organized under NH Law
Contact: Jeremy Newberger
781-907-1548
jeremy.newberger@us.ngrid.com

New Hampshire Electric Cooperative
579 Tenney Mountain Highway
Plymouth, NH 03264-3147
Rural Electrical/Agricultural Cooperative organized under NH Law
Contact: Carol Woods
603-536-8627
woodsca@nhec.com

Public Service of New Hampshire
780 North Commercial Street
Manchester, NH 03101
Domestic Corporation organized under NH Law
Contact: Thomas Belair
603-634-2720
belaitr@psnh.com

Unitil Energy Systems
6 Liberty Lane West
Hampton, NH 03842
Domestic Corporation organized under NH Law
Contact: Cindy Carroll
603-294-5120
carroll@unitil.com

Main Contact: Gilbert Gelineau, PSNH
gelinge@psnh.com
Phone: 603-634-2727

1.6. Identification of Subcontractors and Partners: The Utilities have well-established relationships with customers, state and local leaders, and a statewide network of contractors, Community Action Agencies, retailers, educators, vendors, affinity groups, and community energy committees. In addition, we have received letters of support for this proposal from the following partners:

Home Builders & Remodelers of NH
119 Airport Road
Concord, NH 03301
Contact: Kendall Buck
(603) 228-0351

Community Action Association
c/o Community Action Program
Belknap-Merrimack Counties
2 Industrial Park Drive
Concord, NH 03302-1016
Contact: Dana Nute
(603) 225-3295

GDS Associates, Inc.
1181 Elm Street, Suite 205
Manchester, NH 03101
Contact: Scott Albert
(603) 656-0336

KW Management, Inc.
55 Lake Street, Box #4
Nashua, NH 03060
Contact: Mark Weissflog
(603) 598-0181

1.7. Authorized Negotiator(s): The individuals identified in Section 1.5 are authorized to negotiate any and all aspects of the proposed grant with the State on behalf of their Company.

1.8 & 1.9. Projected Energy Savings and Greenhouse Gas Emissions Reductions

Type	Annual	Cumulative/Lifetime	GHG Reductions
Electricity (MWH)	14,378	172,538	85,056
Nat Gas (MMBtus)	7,040	133,765	7,104
Oil (MMBtus)	7,402	140,630	10,294
Propane (MMBtus)	1,845	35,050	2,213
Total (Metric Tons)	N/A	N/A	104,666

1.10. Length of Program: The program will operate from approval (assumed to be April 1, 2009) through December 31, 2009. On average the measures installed through *RE-CORE* will continue to provide savings through 2024. In future RFPs, the Utilities expect to seek approval to extend the *RE-CORE* Programs beyond 2009 and to co-operate *RE-CORE* with the CORE Programs.

1.11. Total Program Costs: Assuming funding at the Requested level, total costs for this proposal are $7,882,336 (includes programs, loan fund, and performance incentive).

1.12. GHGER Funds Requested: The Utilities are requesting $7,882,336 from the GHGER Fund to implement the baseline proposal. This baseline proposal is scalable such that a minimum of $4,729,402 and a maximum of $7,882,336 of GHGER funds can be used cost-effectively. The minimum could be as low as $1 if the expansion is restricted to existing CORE programs; specific details would need to be discussed.

2. Executive Summary

As noted above, *RE-CORE* builds on the existing CORE Programs by adding new program elements and by increasing the budgets for current programs. Because much of the infrastructure for administering and delivering the expanded programs is already in place, RGGI dollars will be used primarily for services and equipment to reduce energy use and CO_2 emissions. This section will summarize the proposed changes.

2.1. Energy Star Appliance Program: This program will be expanded to include a turn in/recycle component for room air conditioners and second refrigerators and freezers. The air conditioner program will offered through selected NH retailers. Customers who turn-in an old air conditioner will be given a discount coupon towards a new high efficiency Energy Star unit. The second refrigerator-freezer recycle program addresses two of the top energy saving measures identified in *Additional Opportunities for Energy Efficiency in NH*. Customers will be able to responsibly recycle their second refrigerator or freezer by notifying their utility to

arrange for pickup and removal.

2.2. Energy Star Homes Program: This program will be expanded to include an option to participate in the National Green Building Program developed by the National Association of Home Builders. The Home Builders & Remodelers Association of NH (HBRANH) will be partnering with the Utilities at the local level. The Utilities will provide accredited verifiers to inspect homes and report to the NAHB for certification of homes to the nationally recognized and ANSI approved Green Building Standard. The Standard calls for homes to be evaluated against criteria in seven categories: (1) lot design/development, (2) resource, (3) energy and (4) water efficiency, (5) indoor environmental quality, (6) operation, maintenance, and homeowner education, and (7) global impact.

2.3. Home Energy Solutions Program: [Note: In Order No. 24,930, the Commission ruled that the Utilities' fuel neutral home weatherization proposal was not ripe for approval, but that the Utilities may petition for reconsideration when they have a more fully developed proposal. The Utilities are currently circulating among the Parties and Staff to DE 08-120 a new fuel neutral proposal. The Utilities are seeking review of and concurrence with the proposal from the Parties and Staff; a fuel neutral filing will be made on or before April 1, 2009. The remainder of this section is contingent upon the Commission approving the fuel neutral proposal. Should the fuel neutral proposal not be approved, the remainder of this section and its corresponding budget line items should be disregarded.]

The HES Program will be expanded in two ways: the NHEC and National Grid will join PSNH and Unitil in offering fuel neutral weatherization services and the fuel neutral program will be broadened to include multi-family facilities larger than four units. The large multi-family weatherization services will include a comprehensive up-front facility audit, assistance with bid preparation and evaluation, and a post installation quality assurance inspection. Incentives for HVAC systems will be comparable to those offered under the New Equipment and Construction Program – the lesser of 75% of the incremental cost or the buy down to a one year payback. All other measures will be incented at 50% of the installed cost (e.g. lighting, weatherization, domestic hot water, etc.). Weatherization services for large multi-family facilities will be offered on a first come first served basis to customers who are positioned to invest in their facility and who have significant energy savings opportunities. Customers who receive natural gas service will be referred to their gas company's energy efficiency programs for all gas energy efficiency measures including weatherization. The customer's gas utility will be the preferred provider; however, the electric Utilities will provide these services if gas program funds are depleted and electric funds are available.

2.4. Large Business Retrofit Program: The utilities believe that expanded spending in this program provides the single largest and most cost-effective opportunity for savings. In addition to the traditional mix of energy saving measures –

lighting, process, and cooling – the Utilities recognize that the Commission's recently conducted potential study cited retro-commissioning as the number one opportunity for electric savings. The Utilities will be expanding their efforts to work with customers to identify and capitalize on retro-commissioning projects.

2.5. Education: The Utilities are proposing to expand educational training efforts in three areas: code training, Building Operator Certification (BOC), and BPI Building Analyst training course development. The code training proposal will add four full-day training sessions – two residential and two commercial – to an identical series of trainings being offered across the state as part of the CORE Programs. The BOC course is designed to enhance the skills of facility engineers and operators and will provide them with the training needed to address energy saving and retro-commissioning projects. The final training proposal is a partnership to develop a Building Performance Institute training program with the Manchester and Lakes Region Community Colleges. Once developed, the course syllabus and materials would be available to and used by both colleges to provide training which can lead to BPI certification.

In addition, two new self-directed educational components will be added. The first is modeled after similar regional programs (e.g. Kill-A-Watt™) and encourages customers to better understand their energy usage using a watt-hour monitor borrowed from their local library. The Utilities will partner with local libraries as well as the NH State Library to establish a distribution network for the monitors. The second component is a training video designed to show homeowners how they can save energy around the home.

2.6. Passive Solar Program: This program will provide financial incentives to promote the integration of passive solar technologies with heating, domestic hot water, and industrial process systems. Additional uses for solar thermal systems may be included in this program as the technology matures. The program is open to all customers of the CORE Utilities for residential, commercial, and industrial applications and will be available as a standalone program or can be combined with other programs to enhance the portfolio of available measures. In order to ensure quality, qualifying systems must be Solar Rating Certification Corporation (SRCC) rated. The incentive will fund 25% of qualified solar thermal systems up to the following incentive caps: residential customers - $1,500, small business customers - $4,500, and large business customers - $9,000.

2.7. Project Financing: The Utilities plan to offer financing options for customer co-payments associated with the installation of energy efficiency measures. Specifically, financing would be available to residential customers participating in the Home Energy Solutions Program as well as business customers participating in the Small and Large Business Retrofit Programs. The loans would be offered at no interest and funded through a revolving loan pool established by each utility. Customers will repay the loans through fixed monthly

payments on their electric bills, and as an option, customers would be able to choose to repay the loan more quickly. Loans would be capped at the customer co-payment.

The Public Utilities Commission regulates the Utilities with respect to the CORE Energy Efficiency Programs. To the extent that proposed uses of RGGI Funds exceed the authority previously granted to the utilities by the Commission to offer services, the utilities will seek approval of the service offerings. Within 30 days of the approval of RGGI funds, the Utilities will file their proposed tariff for loan services described herein.

While program changes are not being proposed for the remaining CORE Programs, the Utilities are proposing additional funding for Energy Star Lighting, Home Energy Assistance, Small Business Retrofit, Large Business Retrofit, and New Equipment & Construction. Of particular note is the funding request for the Home Energy Assistance program which accounts for more than 30% of this *RE-CORE* proposal. It should also be noted that additional funding has been requested for Utility Specific Programs. Please refer to the Budget section of this proposal for funding details.

3. Proposed Work Scope and Schedule: The Utilities have been implementing the CORE Programs and providing products and services tailored for business, residential and income eligible customers for the past seven years. Several of these programs have earned national recognition. Each year, the Utilities work together to review the CORE Programs, make adjustments and improvements as needed or suggested by customers, interested parties, and the New Hampshire Public Utilities Commission (NHPUC). *RE-CORE* proposes to add funding to this highly successful and cost effective program portfolio as well as to expand program offerings in certain areas.

3.1. Expansion of Existing Programs

As stated earlier, this proposal anticipates that the *RE-CORE* programs will start on April 1, 2009, and operate through December 31, 2009. The Utilities expect to propose further expansion of the programs in subsequent filings. Much of the infrastructure necessary to deliver the *RE-CORE* programs is already in place. The Utilities anticipate that where funding is requested to expand the budgets and goals for existing CORE programs that are approved and operating in 2009, this expansion will occur immediately upon program approval. The utilities will utilize the same marketing and delivery strategies for the *RE-CORE* programs as described in the 2009 CORE Program filing. In addition, the utilities plan to utilize the same partners and contractors for the expanded *RE-CORE* programs. New partners will be recruited and training will be provided as needed.

3.2. Implementation of New Programs

3.2.1. *Second Refrigerator Recycle* – This program will be introduced in late spring and will target residential customers. Marketing efforts will include direct marketing, media advertising, and website promotions (nhsaves.com

and utility-specific). The Utilities will arrange pick-up and recycling of working refrigerators. Materials recycled will include glass, plastics, metals, refrigerants, and any additional hazardous materials. Documentation will satisfy the Federal Responsible Appliance Disposal reporting requirements.

3.2.2. *Room Air Conditioner Turn In/Recycle* – This program will be introduced in late spring and will use a similar marketing approach as described for the Second Refrigerator recycling program. Utilities will sponsor turn in special events at select locations and will pay for recycling. Customers will not be required to purchase a new air conditioner at the time of turn in and will be given a special event rebate voucher for $25 towards the purchase of a new Energy Star rated air conditioner. The Utilities will track the number of units recycled.

3.2.3. *Green Building Home Certification* – The Utilities will be partnering with the Home Builders & Remodelers Association of NH to offer customers a new home that is not only energy efficient, but has been sited, designed, and constructed using techniques which save energy and minimize impacts on the environment. It will be offered on a standalone basis or in conjunction with the Energy Star Homes Program. The Utilities expect to certify 40 homes in 2009 starting in mid to late summer.

3.2.4. *Fuel Neutral Weatherization Services* – The Utilities plan to file this program with the NHPUC by April 1, 2009, and will begin implementation upon Commission approval. The program targets residential customers living in single family homes or multi-family facilities (up to 4 units per building). Program design is based on the national Home Performance with Energy Star standard (HPwES). The Utilities will leverage HPwES marketing materials and will also utilize bill inserts, newsletters, the internet, and trade shows along with outreach to affinity and community groups. The Utilities will also work with trade allies to recruit participants through contractor marketing efforts and will collaborate with gas utilities and other strategic groups. The Utilities will utilize the delivery infrastructure currently in place for the CORE Programs and will recruit and train new contractors as needed. The Utilities will collaborate with regional utilities and other key market actors to leverage program marketing materials, training opportunities, and best practices.

3.2.5. *Large Multi-Family Weatherization Services* – The Utilities plan to introduce this program in late summer. The program will be open to all multi-family facilities larger than four units with a priority given to those buildings where the occupants pay the electric and/or fossil fuel bills. The program will be marketed through direct outreach to property management companies and condominium associations, contractor marketing efforts, and collaboration with gas utilities and other strategic groups. The Utilities will deliver multi-family services through the infrastructure currently in place for the CORE Programs and will recruit and train new contractors as needed. The Utilities will collaborate with regional utilities and other key market actors to leverage program marketing materials, training opportunities, and best practices.

3.2.6. *Passive Solar Program* - This program will be offered upon approval of this proposal and targets all residential, commercial, and industrial customers. Program marketing will be via newsletters, website promotions (nhsaves.com and utility-specific), tradeshows, and direct outreach to customers and trade allies. Program services will be delivered using existing trained solar hot water system installers to ensure that certified equipment is installed in compliance with local building, electric and plumbing codes.

3.2.7. *Project Financing* - The utilities plan to offer on-bill financing for customer co-payments associated with the installation of energy efficiency measures. Within 30 days of approval of this proposal, Utilities plan to file with the Commission a tariff for the loan services to be offered in conjunction with the *RE-CORE* Programs. The Utilities plan to implement the new financing options within 30 days of Commission approval.

3.3. Management and Oversight

The Management Team, which consists of a representative from each utility, will be responsible for the coordination and oversight of statewide activities, early recognition of problems in program delivery, communication among the NH Utilities of any problems, identification of corrective actions, and reporting through quarterly status meetings with the Staff and interested parties. The CORE Utilities, Commission Staff, and other interested parties have spent considerable time and effort setting up uniform program administration and reporting protocols, as well as joint marketing and coordinated monitoring and evaluation for all eight of the CORE Programs. In addition, systems are in place to track energy savings, program expenses, and customer participation.

The Utilities provide independent oversight and Quality Assurance inspections to ensure program implementers comply with program requirements and produce quality workmanship. Varying levels of oversight are used. For example, the work of experienced program implementers with a proven track record will be randomly spot checked, whereas implementation personnel and vendors new to a program will undergo a much higher level of scrutiny.

Cost-control measures are in place in the proposed performance incentive mechanism. Programs which are inefficiently managed and administered will fail to meet cost-effectiveness and energy savings goals. This not only reflects poorly on the program's management, but it also has financial consequences inasmuch as cost-effectiveness and savings are the primary determinants of the performance incentive (see Section 6 below).

To maximize efficiency and to leverage what is already in place, the Utilities plan to merge the *RE-CORE* programs with the existing approved CORE programs and utilize the existing protocols for management and reporting purposes. Consolidated reports along with individual utility results will enable the Commission Staff and other interested parties to assess overall progress as well

as be able to judge each utility's performance relative to program performance goals that are clear and measurable.

4. Project Benefits: The table on page 11 lists the benefits for each program. All modeling was done with the Utilities' Benefit to Cost model consistent with the CORE Programs filing. Each benefit category is described as follows:

   4.1. GHG Reductions are reported for each program over the expected lifetime of the program energy savings. The projected total reduction in carbon emissions is 104,666 metric tons. Attachment A summarizes the energy savings which drive these emissions reductions based on the Commission's conversion factors.

   4.2. TRC Net Benefit quantifies the economic value of the project in terms of the difference between the present value of the energy and capacity savings over the useful life of the efficiency investments and the total project cost, including customer contributions. The present value of the energy savings includes the avoided cost of electric and fossil energy consumption. The present value of the capacity savings includes the avoided cost of investment in electric generation, transmission and distribution capacity. The projected net economic benefit is $7,581,773.

   4.3. Summer Peak is the expected reduction in Summer Peak demand from program efficiency investments. The calculation of the demand reduction value employs end-use specific factors that represent the relationship between coincident peak load and annual energy consumption for each measure category. The projected demand reduction is 2,696 kW.

   4.4. Market Transformation refers to the benefits of an energy efficiency program that are realized in terms of a sustained effect on market demand or supply of efficient equipment. Programs provide information, technical assistance and financial incentives to consumers, retailers and trade allies to reduce market barriers to the adoption of efficient products and practices. As program participants and product vendors become familiar with efficient products they will be more likely to purchase and stock these products when program incentives are reduced or discontinued. New construction programs produce a similar benefit in design and construction practices that facilitate their adoption into building codes.

   4.5. Innovative Technologies include solar domestic hot water systems, geothermal heat pumps, Green Building construction and Retro-commissioning improvements. The *RE-CORE* programs generally provide for the introduction and promotion of new efficient technologies as they become commercially available.

   4.6. Economic Development benefits result from the reduction in household and business energy expenses and from business expansion opportunities for

retailers and other trade allies who serve the increased demand for efficient products and services. It is difficult to quantify job creation and retention, but the net economic benefits reported above indicate the magnitude of the increase in net income that can only serve to improve the financial condition of families and businesses in New Hampshire.

4.7. Energy Cost Savings represent the majority of the economic benefit of the project. The electric and fossil energy savings, reported in Attachment A, are also reflected in the GHG reductions reported in the table.

4.8. Collaboration and Information for future evaluation and program enhancement are provided by program tracking data and program evaluation studies. The programs promote collaboration with a number of parties, including Community Action Agencies, municipalities, educational institutions, the Homebuilders Association, various trade allies and others.

4.9. Other Benefits are described in the notes following the table on page 11.

Regional Greenhouse Gas Initiative
Benefits Summary

Program	GHG (tons)	TRC Net Benefit ($000)	Summer Peak (kW)	Market Transf. (✓)	Innov. Tech. (✓)	Econ. Dev. (✓)	Energy Cost Sav. (✓)	Collab. & Info. (✓)	Other Benefits (Notes)
CORE EE Programs (additional funds)									
Energy Star Lighting	5,119.43	$514	70.89	✓	✓	✓	✓	✓	
Energy Star Appliances / Products (Room AC Turn In, Refrigerator Pickı	1,341.65	$58	77.05	✓	✓	✓	✓	✓	1
Energy Star Homes (Green Building Certification)	2,536.88	$166	6.07	✓	✓	✓	✓	✓	2
HES (Fuel Neutral Multi-Family Weatherization)	9,650.84	$273	40.02	✓	✓	✓	✓	✓	
HEA (approximate 50% increase in homes/units for each utility)	7,530.85	$22	71.24	✓	✓	✓	✓	✓	3
Small Business Retrofit	8,433.94	$1,010	267.72	✓	✓	✓	✓	✓	
Large Business Retrofit (Additional Projects, Retro-commissioning)	48,855.11	$5,849	1,652.92	✓	✓	✓	✓	✓	
New Equipment & Construction	4,323.25	$546	165.64	✓	✓	✓	✓	✓	
Education (Energy Code Training, BOC 2, Tech College BPI Training)	0.00	-$157	0.00	✓	✓		✓	✓	
Utility Specific Programs (additional funding)									
Energy Rewards RFP	6,288.50	$649	283.15		✓	✓	✓	✓	
High Efficiency Heat Pump Program	0.00	$0	0.00	✓	✓	✓	✓	✓	
Smart Start Program	0.00	$0	0.00				✓	✓	4
ESHomes Geothermal	1,567.01	$65	3.60	✓	✓	✓	✓	✓	
EE Website & Home Energy Audit	0.00	$0	0.00	✓			✓	✓	
New RGGI Funded Programs									
Solar Hot Water: Residential	4,921.39	-$894	21.52	✓	✓	✓	✓	✓	5
Solar Hot Water: Small & Large Business	4,097.47	-$521	36.64	✓	✓	✓	✓	✓	5
TOTAL	104,666.30	$7,582	2,696.47						

NOTES:

1. Recycling of materials and CFC capture.
2. Green certification reduces material disposal costs and environmental impact.
3. Reduces energy burden and increases health and safety of home environment.
4. Reduces capital cost barrier to investment.
5. Promotes renewable resource.

5. Measurement and Verification: The objective of program evaluation is to assess program delivery and to determine the ability of a program to meet the stated goals. Process evaluations assess program delivery in order to identify what worked and what did not during implementation. Impact evaluations focus on program results to quantify energy savings, demand reductions, and avoided air emissions.

   Results of impact evaluations include:
   - ❑ Estimates of gross savings
   - ❑ Estimates of net savings
   - ❑ Estimates of CO_2/GHG reductions

   Savings are determined indirectly by comparing energy use and demand after the program has been implemented with what would have occurred had the program not been implemented (baseline). Verification of savings is not only used to document results from current program efforts, but can also be used to help inform future estimates of savings and benefits.

   Avoided air emissions are determined by comparing emissions under a baseline scenario to the situation after the program is implemented using the emission factor approach. The basic approach is to multiply the program's net energy savings by an emission factor (e.g. lbs of CO2 per MWh). The basic equation for this approach is:

   Avoided emissions = (net energy savings) x (emission factor)

   The process for evaluating program performance will include:
   1. Defining the evaluation objectives in order to determine what information is needed (define the scope) and the value of the information received.
   2. Selecting an approach, defining baseline scenarios, and preparing a plan.
   3. Comparing energy usage before and after program implementation.
   4. Reporting results and incorporating recommendations into future program implementation.

   RE-CORE is primarily an expansion of existing CORE Programs. The Utilities propose to leverage existing evaluation efforts by piggy-backing on CORE Program M&V studies in cases where program elements overlap. Evaluation of existing programs will be planned concurrently with CORE Program studies and carried out through oversampling as needed. The *RE-CORE* M&V budgets would cover any incremental costs.

   During 2009 the Utilities plan to collect needed data and lay the groundwork for M&V studies on new program elements; however, the studies would not be conducted before the program has been in operation for a minimum of 12 months. The Utilities propose the following studies:
   - ❑ Passive Solar Program – impact evaluation to assess system performance, maintenance, energy savings and cost-effectiveness.

- ❑ HES Program - impact and process evaluations of the multifamily fuel-neutral expansion component to assess fuel savings, cost-effectiveness, quality of installations, and customer satisfaction.
- ❑ Retro-commissioning - impact evaluation to determine persistence of savings, measure implementation, and on-going system maintenance.

Avoided air emissions will be calculated for all programs with energy savings.

6. Budget

6.1. Consolidated Budget Worksheets (Attachments B1 – B3)
Attachments B1 through B3 reflect the consolidated budgets of the Utilities at the Requested, Minimum, and Maximum levels. These worksheets were modeled after those provided by the Commission on their website and modified to best display the funding requirements associated with this proposal.

6.2. Budget Details – By Utility (Attachment C)
Attachment C is a worksheet developed by the Utilities. It breaks down the budget for each program by Utility.

6.3. Benefit to Cost Analyses (Attachment D)
The benefit to cost analyses are summarized in Attachment D. Using the Utilities' Total Resource Cost (TRC) model, it depicts for each program the B/C, the TRC Benefits and Costs, the Utilities' Cost, Customer Cost, and the Number of Participants.

6.4. Performance Incentive
The Utilities have included in their budget a performance incentive similar to the one used in the CORE Programs. The incentive ranges between 0% and 12% of the budget. The budget worksheets were developed assuming an 8% performance incentive. The Utilities would earn an 8% incentive if actual GHG reductions and cost-effectiveness were exactly the same as forecasted in this proposal. The performance incentive is at risk and only awarded from the Greenhouse Gas Emissions Reduction Fund after demonstrating satisfactory performance in GHG reductions and cost-effectiveness in accordance with the formula explained below.

There are two proposed changes to the basic formula in order to more closely align the performance incentive with RGGI. The first change is to replace the kWh savings with CO_2 savings – to emphasize that the primary goal of RGGI is the reduction of greenhouse gases. The second change would be to include all of the *RE-CORE* Programs in the incentive calculation as opposed to developing separate residential and commercial/industrial incentives as is done for the CORE Programs. This change reflects the fact that the RGGI dollars are the result of allowance auctions and not closely linked to particular customer segments; furthermore, several of the *RE-CORE* Programs are offered to both residential and commercial/industrial customers.

Incorporating these changes, the basic formula becomes:

$$INCENTIVE = [4\% \times BUDGET] \times [(BC_{ACT}/BC_{PRE}) + (CO_{2ACT}/CO_{2PRE})]$$

Where:

INCENTIVE - Performance incentive in dollars
BUDGET - Total dollars budgeted less the performance incentive
BC_{ACT} - Actual Benefit-to-Cost ratio achieved
BC_{PRE} - Predicted Benefit-to-Cost ratio
CO_{2ACT} - Actual Lifetime CO_2 reductions achieved
CO_{2PRE} - Predicted Lifetime CO_2 reductions savings

This formula would be used to calculate the incentive for each utility based on its performance; the overall *RE-CORE* performance incentive would be the sum of the individual utility incentives.

6.5. Performance Goals (Attachment E)
Attachment E states the performance goals for each Utility. These performance goals assume funding at the Requested level.

7. Applicant Qualifications: The applicants have been delivering energy efficiency programs to New Hampshire customers for more that 15 years. More importantly, since 2002 the Utilities have collaborated to deliver a uniform suite of CORE Energy Efficiency Programs to residential, low-income and business customers throughout the state. These programs are regulated by the Commission and have been reviewed and approved annually. On a quarterly basis, the Commission Staff along with any interested parties review the Utilities' progress in an open public forum. In addition, since the introduction of the CORE Programs, third-party experts have conducted no fewer than 130 process and impact evaluations of the Programs[1] to ensure that procedures are followed and that results can be verified.

In total nearly 450,000 customers have saved more than 6 billion kWhs and reduced CO_2 emissions by 3.8 million tons. Each year the Utilities have met or exceeded their energy savings goals while keeping their costs within budget. In summary, the applicants have a proven track record that has been continually reviewed and approved by regulators and interested parties and scrutinized by third-party experts. The Utilities believe they are uniquely positioned to cost-effectively deliver programs to reduce greenhouse gas emissions in New Hampshire.

The key personnel from each utility who are responsible for the commitments made in this Response are identified in Section 1.5. The applicants have no criminal violations within the past five years to report.

[1] A list of these studies may be found at:
http://www.puc.nh.gov/Electric/Monitoring%20and%20Evaluation%20Reports/Monitoring_Evaluation_Report_List.htm

RGGI Expansion
CORE Energy Efficiency Programs

Attachments

March 20, 2009

NH PUC Greenhouse Gas Emissions Reduction Fund 2/23/09 RFP Proposed Budget Worksheet

DEFAULT VALUES FOR ESTIMATING GHG EMISSIONS REDUCTIONS BASED ON ENERGY SAVINGS

Program Title: RGGI Expansion - NH CORE Energy Efficiency Program Expansion

Applicant Name: NationalGrid, NHEC, PSNH, Unitil

Method # 1, using MWH (Megawatt Hours), Cubic Feet (natural gas), & Gallons of fuel					
Reductions from	**Enter Reductions in Units shown in next Column**	**Units**	**CO_2 Emission Factors in lbs/unit**	**Estimated CO_2 Emission Reductions in pounds (lbs.)**	**Estimated CO_2 Emission Reductions in Metric Tons**
Electricity		MWH	1,087	0	0.00
Natural Gas		Cubic Feet	120.6	0	0.00
Distillate Fuel Oil (#1, 2 & 4)		Gallons	22.4	0	0.00
Residual Fuel Oil (#5 & 6)		Gallons	26	0	0.00
Kerosene		Gallons	21.5	0	0.00
LPG		Gallons	12.8	0	0.00
Propane		Gallons	12.7	0	0.00
TOTAL					0.00

Method # 2, using MWH & MMBtu (million Btus)					
Reductions from	**Enter Reductions in Units shown in next Column**	**Units**	**CO_2 Emission Factors in lbs/unit**	**Estimated CO_2 Emission Reductions in pounds (lbs.)**	**Estimated CO_2 Emission Reductions in Metric Tons**
Electricity	172,537.833	MWH	1,087	187,548,625	85,056.07
Natural Gas	133,765	MMBtu	117.1	15,663,917	7,103.82
Distillate Fuel Oil (#1, 2 & 4)	140,630	MMBtu	161.4	22,697,636	10,293.71
Residual Fuel Oil (#5 & 6)	0	MMBtu	173	0	0.00
Kerosene	0	MMBtu	159.5	0	0.00
LPG	0	MMBtu	139	0	0.00
Propane	35,050	MMBtu	139.2	4,879,012	2,212.70
TOTAL					104,666.30

Electric Loss Factor = 1.08

NH PUC Greenhouse Gas Emissions Reduction Fund	2/23/09 RFP Proposed Budget Worksheet							REQUESTED AMOUNTS FOR TARGETED PROGRAM SIZE					
Program Title:	RGGI Expansion - NH CORE Energy Efficiency Program Expansion												
Applicant Name:	NationalGrid, NHEC, PSNH, Unitil												
	2009							2010					2011
USE OF FUNDS	April	May	June	Q2	Q3	Q4	Total CY09	Q1	Q2	Q3	Q4	Total CY10	Total CY11
EXPENSES					50%	50%							
ENERGY STAR Lighting				$0	$63,909	$63,909	$127,818	$1	$2	$3	$4	$10	
ENERGY STAR Appliances				$0	$112,692	$112,692	$225,384					$0	
ENERGY STAR Homes				$0	$154,033	$154,033	$308,066					$0	
Home Energy Solutions				$0	$510,808	$510,808	$1,021,616					$0	
Home Energy Assistance				$0	$591,823	$591,823	$1,183,647					$0	
Small Business Energy Services				$0	$147,842	$147,842	$295,685					$0	
Large Business Retrofit				$0	$546,938	$546,938	$1,093,876					$0	
New Equipment & Construction				$0	$91,778	$91,778	$183,557					$0	
Education				$0	$80,059	$80,059	$160,118					$0	
Energy Rewards RFP					$157,500	$157,500	$315,000						
High Efficiency Heat Pump Pgm					$0	$0	$0						
Smart Start Program					$0	$0	$0						
ENERGY STAR Homes - Geo					$25,000	$25,000	$50,000						
EE Website & Home Energy Audit					$0	$0	$0						
Solar Hot Water (Res, Small/Large C&I)					$368,236	$368,236	$736,471						
Performance Incentive @ 8%				$0	$228,049	$228,049	$456,099					$0	
TOTAL EXPENSES	$0	$0	$0	$0	$3,078,668	$3,078,668	$6,157,336	$1	$2	$3	$4	$10	$0
Capital Invested in Building Improvements							$0					$0	
Funds used for Loan Fund capital					$862,500	$862,500	$1,725,000					$0	
Loan Fund credit enhancement (such as interest rate buy-down)							$0					$0	
TOTAL USE OF FUNDS	$0	$0	$0	$0	$3,941,168	$3,941,168	$7,882,336	$1	$2	$3	$4	$10	$0
	2009							2010					2011
SOURCES OF FUNDS	April	May	June	Q2	Q3	Q4	Total CY09	Q1	Q2	Q3	Q4	Total CY10	Total CY11
Applicant Cash Contribution				$0			$0					$0	
Applicant In-kind Contribution				$0			$0					$0	
Program Participant Contribution				$0	$2,735,751	$2,735,751	$5,471,502					$0	
Loans & Other Financing				$0			$0					$0	
Forward Capacity Market Payments				$0			$0					$0	
Other Grants				$0			$0					$0	
GHGER Fund (this proposal)				**$0**	**$3,078,668**	**$3,078,668**	**$6,157,336**					**$0**	
TOTAL SOURCES OF FUNDS	$0	$0	$0	$0	$5,814,419	$5,814,419	$11,628,838	$0	$0	$0	$0	$0	$0
GHGER Funds as a % of TOTAL							53%					#DIV/0!	#DIV/0!

Note: for General Overhead & Profit, please indicate to what extent any amounts are proposed to be contingent on program performance.

NH PUC Greenhouse Gas Emissions Reduction Fund	2/23/09 RFP Proposed Budget Worksheet							MINIMUM FEASIBLE PROGRAM SIZE					
Program Title:	RGGI Expansion - NH CORE Energy Efficiency Program Expansion												
Applicant Name:	NationalGrid, NHEC, PSNH, Unitil												
	2009							2010					2011
USE OF FUNDS	April	May	June	Q2	Q3	Q4	Total CY09	Q1	Q2	Q3	Q4	Total CY10	Total CY11
EXPENSES					50%	50%							
ENERGY STAR Lighting				$0	$38,345	$38,345	$76,691	$1	$2	$3	$4	$10	
ENERGY STAR Appliances				$0	$67,615	$67,615	$135,230					$0	
ENERGY STAR Homes				$0	$92,420	$92,420	$184,840					$0	
Home Energy Solutions				$0	$306,485	$306,485	$612,970					$0	
Home Energy Assistance				$0	$355,094	$355,094	$710,188					$0	
Small Business Energy Services				$0	$88,705	$88,705	$177,411					$0	
Large Business Retrofit				$0	$328,163	$328,163	$656,325					$0	
New Equipment & Construction				$0	$55,067	$55,067	$110,134					$0	
Education				$0	$48,035	$48,035	$96,071					$0	
Energy Rewards RFP					$94,500	$94,500	$189,000						
High Efficiency Heat Pump Pgm					$0	$0	$0						
Smart Start Program					$0	$0	$0						
ENERGY STAR Homes - Geo					$15,000	$15,000	$30,000						
EE Website & Home Energy Audit					$0	$0	$0						
Solar Hot Water (Res, Small/Large C&I)					$220,941	$220,941	$441,883						
							$0						
							$0						
							$0						
Performance Incentive @ 8%				$0	$136,830	$136,830	$273,659					$0	
TOTAL EXPENSES	$0	$0	$0	$0	$1,847,201	$1,847,201	$3,694,402	$1	$2	$3	$4	$10	$0
Capital Invested in Building Improvements							$0					$0	
Funds used for Loan Fund capital					$517,500	$517,500	$1,035,000					$0	
Loan Fund credit enhancement (such as interest rate buy-down)							$0					$0	
TOTAL USE OF FUNDS	$0	$0	$0	$0	$2 364,701	$2,364,701	$4,729,402	$1	$2	$3	$4	$10	$0
	2009							2010					2011
SOURCES OF FUNDS	April	May	June	Q2	Q3	Q4	Total CY09	Q1	Q2	Q3	Q4	Total CY10	Total CY11
Applicant Cash Contribution				$0			$0					$0	
Applicant In-kind Contribution				$0			$0					$0	
Program Participant Contribution				$0			$0					$0	
Loans & Other Financing				$0			$0					$0	
Forward Capacity Market Payments				$0			$0					$0	
Other Grants				$0			$0					$0	
GHGER Fund (this proposal)				$0			$0					$0	
TOTAL SOURCES OF FUNDS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
GHGER Funds as a % of TOTAL							#DIV/0!					#DIV/0!	#DIV/0!

Note: for General Overhead & Profit, please indicate to what extent any amounts are proposed to be contingent on program performance.

NH PUC Greenhouse Gas Emissions Reduction Fund	2/23/09 RFP Proposed Budget Worksheet	MAXIMUM FEASIBLE PROGRAM SIZE
Program Title:	RGGI Expansion - NH CORE Energy Efficiency Program Expansion	
Applicant Name:	NationalGrid, NHEC, PSNH, Unitil	

	2009							2010					2011
USE OF FUNDS	April	May	June	Q2	Q3	Q4	Total CY09	Q1	Q2	Q3	Q4	Total CY10	Total CY11
EXPENSES					50%	50%							
ENERGY STAR Lighting				$0	$63,909	$63,909	$127,818	$1	$2	$3	$4	$10	
ENERGY STAR Appliances				$0	$112,692	$112,692	$225,384					$0	
ENERGY STAR Homes				$0	$154,033	$154,033	$308,066					$0	
Home Energy Solutions				$0	$510,808	$510,808	$1,021,616					$0	
Home Energy Assistance				$0	$591,823	$591,823	$1,183,647					$0	
Small Business Energy Services				$0	$147,842	$147,842	$295,685					$0	
Large Business Retrofit				$0	$546,938	$546,938	$1,093,876					$0	
New Equipment & Construction				$0	$91,778	$91,778	$183,557					$0	
Education				$0	$80,059	$80,059	$160,118					$0	
Energy Rewards RFP					$157,500	$157,500	$315,000						
High Efficiency Heat Pump Pgm					$0	$0	$0						
Smart Start Program					$0	$0	$0						
ENERGY STAR Homes - Geo					$25,000	$25,000	$50,000						
EE Website & Home Energy Audit					$0	$0	$0						
Solar Hot Water (Res, Small/Large C&I)					$368,236	$368,236	$736,471						
Performance Incentive @ 8%				$0	$228,049	$228,049	$456,099					$0	
TOTAL EXPENSES	$0	$0	$0	$0	$3,078,668	$3,078,668	$6,157,336	$1	$2	$3	$4	$10	$0
Capital Invested in Building Improvements							$0					$0	
Funds used for Loan Fund capital					$862,500	$862,500	$1,725,000					$0	
Loan Fund credit enhancement (such as interest rate buy-down)							$0					$0	
TOTAL USE OF FUNDS	$0	$0	$0	$0	$3,941,168	$3,941,168	$7,882,336	$1	$2	$3	$4	$10	$0

	2009							2010					2011
SOURCES OF FUNDS	April	May	June	Q2	Q3	Q4	Total CY09	Q1	Q2	Q3	Q4	Total CY10	Total CY11
Applicant Cash Contribution				$0			$0					$0	
Applicant In-kind Contribution				$0			$0					$0	
Program Participant Contribution				$0			$0					$0	
Loans & Other Financing				$0			$0					$0	
Forward Capacity Market Payments				$0			$0					$0	
Other Grants				$0			$0					$0	
GHGER Fund (this proposal)				$0			**$0**					**$0**	
TOTAL SOURCES OF FUNDS	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
GHGER Funds as a % of TOTAL							#DIV/0!					#DIV/0!	#DIV/0!

Note: for General Overhead & Profit, please indicate to what extent any amounts are proposed to be contingent on program performance.

Regional Greenhouse Gas Initiative
NH Core EE Program Budget
Q2-Q4 2009

C. Budget Details by Utility

Program	NGRID	NHEC	PSNH	Unitil	TOTAL
CORE EE Programs (additional funds)					
Energy Star Lighting	$40,826	$32,697	$0	$54,295	$127,818
Energy Star Appliances / Products (Room AC Turn In, Refrigerator	$44,307	$35,077	$100,000	$46,000	$225,384
Energy Star Homes (Green Building Certification)	$112,625	$47,441	$100,000	$48,000	$308,066
HES (Fuel Neutral Multi-Family Weatherization)	$440,025	$217,656	$250,000	$113,935	$1,021,616
HEA (approximate 50% increase in homes/units for each utility)	$132,452	$110,846	$800,000	$140,348	$1,183,647
Small Business Retrofit	$80,861	$32,697	$0	$182,127	$295,685
Large Business Retrofit (Additional Projects, Retro-commissioning)	$33,967	$45,434	$800,000	$214,474	$1,093,876
New Equipment & Construction	$67,209	$16,348	$100,000	$0	$183,557
Education (Energy Code Training, BOC Level 2, Tech College BPI	$4,099	$20,424	$100,595	$35,000	$160,118
	$0	$0	$0	$0	$0
Utility Specific Programs (additional funding)					
Energy Rewards RFP	$0	$0	$315,000	$0	$315,000
High Efficiency Heat Pump Program	$0	$0	$0	$0	$0
Smart Start Program	$0	$0	$0	$0	$0
ESHomes Geothermal	$0	$0	$50,000	$0	$50,000
EE Website & Home Energy Audit	$0	$0	$0	$0	$0
New RGGI Funded Programs					
Solar Hot Water: Residential	$0	$41,941	$325,000	$40,100	$407,041
Solar Hot Water: Small Business	$0	$15,499	$105,000	$83,528	$204,027
Solar Hot Water: Large Business	$0	$20,403	$105,000	$0	$125,403
Funds for Loan Fund Capital (RLF)					
RGGI Funds for Revolving Loan Fund	**$300,000**	**$200,000**	**$500,000**	**$725,000**	**$1,725,000**
TOTAL (not including RGGI Funds for Revolving Loan Fund)	$956,371	$636,463	$3,150,595	$957,808	$5,701,237
Performance Incentive (**see Note 1**)	$76,510	$50,917	$252,048	$76,625	$456,099
PROJECTED GRAND TOTAL	**$1,032,881**	**$687,380**	**$3,402,643**	**$1,612,432**	**$6,157,336**
Total with Revolving Loan Fund, Program Budget and Performance Incentive:					**$7,882,336**

Note 1: At Risk Performance Incentive, 0-12%, shown at 8% incentive level.

Regional Greenhouse Gas Initiative
Total Resource Cost Benefit Cost Analysis

Program	TRC B/C Ratio	TRC Benefit ($000)	TRC Cost ($000)	Utility Cost ($000)	Customer Cost ($000)	Number of Participants
CORE EE Programs (additional funds)						
Energy Star Lighting	3.02	$769	$255	$131	$122	50,704
Energy Star Appliances / Products (Room AC Turn In, Refrigerator Pickup)	1.20	$344	$286	$228	$56	1,619
Energy Star Homes (Green Building Certification)	1.38	$600	$434	$310	$119	122
HES (Fuel Neutral Multi-Family Weatherization)	1.20	$1,639	$1,366	$1,011	$334	702
HEA (approximate 50% increase in homes/units for each utility)	1.02	$1,280	$1,258	$1,189	$63	381
Small Business Retrofit	2.87	$1,550	$540	$316	$218	59
Large Business Retrofit (Additional Projects, Retro-commissioning)	2.97	$8,816	$2,967	$1,110	$1,855	85
New Equipment & Construction	2.68	$872	$326	$180	$142	15
Education (Energy Code Training, BOC Level 2, Tech College BPI Training)		$0	$157	$157	$0	0
Utility Specific Programs (additional funding)						
Energy Rewards RFP	2.11	$1,234	$584	$315	$269	4
High Efficiency Heat Pump Program		$0	$0	$0	$0	0
Smart Start Program		$0	$0	$0	$0	0
ESHomes Geothermal	1.64	$167	$102	$50	$52	7
EE Website & Home Energy Audit		$0	$0	$0	$0	0
SmartStart - RGGI $ for revolving loan fund		$0	$0	$0	$0	0
New RGGI Funded Programs						
Solar Hot Water: Residential	0.50	$879	$1,773	$407	$1,366	202
Solar Hot Water: Small & Large Business	0.57	$682	$1,203	$329	$873	42
Funds for Loan Fund Capital (RLF)						
RGGI Funds for Revolving Loan Fund		$0	$0	$0	$0	0
TOTAL	1.67	$18,832	$11,250	$5,733	$5,472	53,942

Regional Greenhouse Gas Initiative
Performance Goals

Utility	TRC B/C Ratio	GHG Reductions (tons)
NGRID	1.22	7,135.43
NHEC	1.56	12,418.10
PSNH	1.67	61,450.51
UNITIL	1.99	23,662.26
TOTAL	**1.67**	**104,666.30**

RGGI Expansion
CORE Energy Efficiency Programs

Letters of Support

March 20, 2009

HBRANH

Home Builders & Remodelers Association of New Hampshire
"Building New Hampshire's Future"
The Housing Center • 119 Airport Road • Concord, New Hampshire 03301
603-228-0351 • F: 603-228-1877 • E: info@hbranh.com • W: www.hbranh.com

OFFICERS

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Vice President of Associates

Mark Flanders, GMB, CGR, CGP
National Director

Ron Robichaud
NAHB State Representative

Dianne Beaton, CGA, CAPS
Associate National Director

Roger Bouchard, GMB, CGB, CAPS, CGP
Immediate Past President

Kendall Buck, CAE
Executive Vice President

Dave Bowman
Director of Member Services

Sharon Wayman
Accounting Manager

Denise Barous
Administrative Assistant

March 20, 2009

Mr. Jack Ruderman
Director, Sustainable Energy Division
Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Dear Mr. Ruderman:

The Home Builders & Remodelers Association of New Hampshire (HBRANH) is writing this letter in support of New Hampshire CORE Utilities' proposal to the PUC for the Greenhouse Gas Emissions Reduction Fund.

The HBRANH has long partnered with the CORE Utilities on promoting energy efficient building and remodeling in New Hampshire through our joint promotion of the Energy Star Home program.

This proposal would provide critical support for the recently approved National Green Building Standard and would be instrumental in encouraging builders and remodelers to build to this new Standard.

Homes built to the Standard are expected to be 15-60% more energy-efficient than comparable new homes, which also means that they're 30-75% more energy-efficient than homes built just a decade ago. Depending on the locality, this could translate into annual utility savings of $200-$3000 a year or more depending on whether renewable sources are included.

The estimated energy savings from that increased energy-efficiency also is expected to translate directly to greenhouse gasses on a 1-to-1 basis. Standard-certified home could reduce a minimum of 4,500 pounds of GHG gases out of the air per home.

The average home construction produces 2 tons of waste. A green home can produce less waste (about 25% less) and divert most of the remainder of what is produced from landfills into recycling, deconstruction, and other re-usable alternatives.

NAHB
National Association of Home Builders

March 20, 2009

Mr. Jack Ruderman
Director, Sustainable Energy Division

A certified green home could use 25-50% less water than a comparable home.

The HBRANH will be developing an aggressive training program for the building industry in New Hampshire and, coupled with the CORE Utilities' proposed program, will go a long ways towards achieving the goals of reducing emissions of greenhouse gases resulting from energy use in New Hampshire, pursuant to RSA 125:O-23.

We hope the Commission will look favorably upon this proposal.

Sincerely yours,

Kendall L. Buck

Kendall L. Buck, CAE
Executive Vice President.

KW MANAGEMENT Inc.

55 Lake Street
Box # 4
NASHUA, NH 03060
(603) 598 – 0181 Office
(603) 598 – 5188 Fax

Mr. Jack Ruderman
Director, Sustainable Energy Division
NH Public Utilities Division
21 South Fruit Street, Suite 10
Concord, NH 03301

March 18, 2009

Dear Mr. Ruderman;

KW Management, Inc. has had an extended and established business reputation, throughout New England for providing products and services that encourage and increase the efficiency of thermal energy systems and take advantage of conservation opportunities that lead towards energy use reduction. Consequently, our organization is extremely pleased to support the PSNH Solar Thermal proposal to the PUC for the Greenhouse Gas Emissions Reduction Fund.

Over the years KW Management has partnered with PSNH on promoting energy efficient buildings in the residential sector through our combined promotion of the Energy Star Homes and the New Hampshire Saves @ Home programs. Our energy auditing assistance along with the follow-on weatherization activities have made significant reductions towards green house gas emissions while securing energy related investments through state funding in the direction of Electrical kilowatt hour and Thermal energy BTU reductions.

Further, our organization has taken a leadership role throughout our state in the education and development of energy related building approaches, energy star and better building practices, including overall training and guidance for architects, builders, commercial and municipal building improvements including residential structures; and in addition, to the more structured educational classes at the NH Technical Institutions around the state; all focused at energy reduction, increased efficiency and decreased carbon emissions.

Mr. Ruderman, we in the industry around the state, are very encouraged with the PSNH proposal and offer our support to the proposed program and petition the PUC Commission for their continued collaboration for providing dedicated funding for programs that are focused towards green house gas emissions. Thank You.

Sincerely Yours,
Mark P. Weissflog
Mark P. Weissflog
President

GDS Associates, Inc.
Engineers and Consultants

Scott Albert
Principal & Northeast Region Manager

Ph: 603.656.0336
Fax: 603.656.0301
scott.albert@gdsassociates.com

March 19, 2009

Mr. Gil Gelineau
Public Service Company of New Hampshire
P.O. Box 330
Manchester, New Hampshire, 03105

Dear Gil,

I am pleased to submit this letter of intent for advancing a fuel neutral weatherization program within the State of New Hampshire. In this effort, staff from our Manchester, NH office will be made available and look forward to providing the following services and support:

- comprehensive 3rd party audits
- technical assistance
- retro-commissioning opportunities identification, implementation and assessment
- program design and associated report formats, education and training materials development
- other program implementation and analysis/evaluation support as needed.

Should you have any questions or require additional information, please don't hesitate to call.

Thanks for your consideration and interest in using the local and skilled resources here at GDS.

Sincerely,

Scott M. Albert

Scott M. Albert
Principal and Region Manager