

THE STATE OF NEW HAMPSHIRE



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August 25, 2011

Debra Howland, Executive Director
N.H. Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: DE 10-188 – 2011 and 2012 Electric and Gas Energy Efficiency Programs –
2011 Monitoring and Evaluation (M&E) Activities

Dear Ms. Howland:

On July 25, 2011, Staff advised the Commission that it would be compiling the actual 2010 M&E carryover amounts and convening a conference call with the Core Management Team to discuss the amount of monies available to fund the SB323 Study and other 2011 M&E activities. The Commission directed Staff to file a modified 2011 M&E plan if any activities might have to be curtailed as a result of the payment for the SB323 study.

Based on our review, Staff, in coordination with the utilities, believes that there is no need to curtail any 2011 M&E activities as a result of payment of the SB323 Study. There are approximately \$1.8 million in funds available – approximately \$0.7 million from the 2010 M&E carryover and approximately \$1.1 million from the 2011 M&E budgets approved by the Commission for the electric and natural gas companies. Expenditures for 2011 M&E activities are estimated to be slightly higher, approximately \$1.9 million. Hence, there is a minor shortfall of \$0.1 million. Staff believes that this minor shortfall can be managed, such that all the 2011 planned M&E activities, including the SB 323 Study, can be implemented in 2011 without any curtailment.

OCA concurs that the currently foreseeable funding shortfall is manageable within the overall M&E budget, including the SB323 Study, and does not require any specific curtailment of anticipated M&E activities.

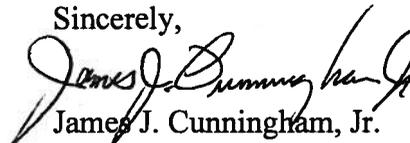
The Way Home (TWH) does not concur. TWH believes that Staff's plan to fund the SB323 Study entirely with Core and natural gas M&E funds will result in the curtailment of other M&E studies. TWH recommends that the Commission consider other alternatives, including a utility assessment, pursuant to RSA 365:37.

With all due respect to TWH, Staff believes that the SB323 Study and other studies do not need to be curtailed. TWH contends that Staff plans to curtail two studies – i.e. the C&I New Equipment and Construction Impact Study and the Multi-Year M&E Study.¹ This is not the case; in fact, Staff is planning to start these studies in the third and fourth quarter of 2011. Although Staff expects only partial invoicing for these studies in 2011, consistent with its plan to manage the 2011 M&E activities with approved funding, Staff is not planning to cut short, reduce or abridge the scope of these studies.

TWH's recommendation that the Commission consider a utility assessment, pursuant to RSA 365:37, has already been addressed. Specifically, the joint recommendation by Messrs. Frantz and Ruderman called for the Commission to invoice the Core and Natural Gas Energy Efficiency Program Administrators (Program Administrators) for up to 80% of the expected SB323 Study charges and that any potential supplemental funding would be secured by the SB323 Study Coordination Team.² In the absence of supplemental funding, the joint Staff recommendation called for the Commission to invoice the Program Administrators. As it turned out, there was no supplemental funding to cover the 20% share; therefore, the entire cost of the SB323 Study should be invoiced to the Program Administrators.

Based on the above, Staff believes that there are sufficient monies available from the 2010 M&E carryover and the 2011 approved M&E budgets and there is no need to curtail any of the 2011 M&E activities as a result of the payment of the SB323 Study.

Sincerely,



James J. Cunningham, Jr.
Utility Analyst IV

CC: Service List

¹ The C&I New Equipment and Construction Impact Study is part of the plan to remain ISO-FCM compliant. The Multi-Year M&E Study is part of the plan to establish a short-term and long-term guide for M&E studies going forward.

² Source: Docket No. DE 10-188, Hearing Exhibit No 15 (attached).

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December 13, 2010

Debra Howland
Executive Director & Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-7319

RE: SB323 Energy Study Funding Proposal

Dear Ms. Howland:

We are writing to report on the process conducted by the SB 323 Study Coordination Team to determine the available funding source(s) for the SB 323 Study, and to provide Staff's recommendation on a funding approach.

As you know, SB323 requires that the Commission, in consultation with the EESE Board, hire an independent consultant to study a range of energy efficiency and renewable energy issues (available at <http://www.gencourt.state.nh.us/legislation/2010/SB0323.html>). EESE Board Chairman Dick Ober appointed a committee, the "SB 323 Study Coordination Team," to work with the Commission to conduct the consultant selection process and oversee the study development process.¹ On October 29, 2010, the Commission approved the Team's recommendation that Vermont Energy Investment Corporation (VEIC) be retained to conduct the study.

In addition to selecting the consultants who will conduct the study, the Team has also worked to identify funding available to conduct the SB323 Study. The legislation caps the total cost of the study, and provides guidance on how it should be funded:

The public utilities commission shall utilize in the first instance available funding for monitoring, evaluation, and verification of existing programs, to the extent feasible, in support of this study. The commission may supplement these funds as needed by utility assessment pursuant to RSA 365:37.

Chapter 335:1 III of 2010.

¹ SB323 Study Coordination Team members are: Clifton Below, PUC Commissioner, Dan Feltes, NH Legal Assistance, Tom Frantz, PUC Electric Division, George Gantz, Unutil, Gil Gelineau, PSNH, Meredith Hatfield, Office of Consumer Advocate, Michael Licata, NH Business & Industry Association, Joanne Morin, NH Office of Energy & Planning, Jack Ruderman, PUC Sustainable Energy Division, and Deborah Schachter, NH Charitable Foundation.



DE 10-188
#15
Panel 1

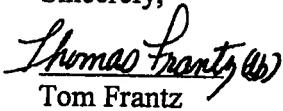
In order to determine what funds are available for monitoring and evaluation of existing programs to support the SB323 Study, the Team sought information from the program administrators of existing programs. They included the utility-administered Core electric and natural gas efficiency programs, the Greenhouse Gas Emissions Reduction Fund (GHGERF) and the Renewable Energy Fund (REF), and federal funds administered by the Office of Energy and Planning (OEP). At this time, funds are available in the Core electric and natural gas budgets for 2010 and 2011 for monitoring and evaluation. The attached spreadsheet provides the current status of the Core electric and natural gas monitoring and evaluation budgets. No funds are available from GHGERF or REF. A limited amount of funds may be available from the federal weatherization program in 2011, and the Team will continue to work with OEP to explore the availability of those funds to support the SB323 Study.

As a result of this review, we respectfully recommend that:

- a. The Commission invoice the Core Gas and Electric Energy Efficiency Program Administrators immediately for 80% of the expected SB323 study charges on a pro-rata basis based on the sum of the 2010 energy efficiency budgets and proposed 2011 energy efficiency budgets.
- b. Until such time as the Commission receives and approves invoices from the SB323 consultant that exceed 80% of the expected SB323 study costs, the SB323 Study Coordination Team will continue to work to identify and secure supplemental funds which may be available to support the SB323 Study.
- c. When the cumulative invoices from the SB323 consultant exceed the 80% level, the Commission shall first credit any supplemental funds to the outstanding bills, and then shall invoice the remaining amounts to the Utility Program Administrators in the same manner as indicated in paragraph a.
- d. The Commission authorizes the Utility Program Administrators to recover the costs of the SB323 study allocated to each through their respective energy efficiency monitoring and evaluation budgets for 2010 and/or 2011.

Thank you for your consideration. Please do not hesitate to contact us if you require further information.

Sincerely,


Tom Frantz

and


Jack Ruderman

cc: Richard Ober, EESE Board Chairman
DE 10-188 Core electric and natural gas docket service list

Energy Efficiency Program Budgets

November 22, 2010

<u>Program</u>	<u>Administrator</u>	<u>2010 Budget</u>	<u>2011 Budget</u>	<u>2010 + 2011</u>	<u>Pro Rata Share¹</u>
CORE Electric	National Grid	1,496,054	1,543,559	3,039,613	5.6020%
	NHEC	1,173,344	1,209,726	2,383,070	4.3920%
	PSNH	14,905,496	14,281,326	29,186,822	53.7916%
	Unitil	2,777,970	2,299,021	5,076,991	9.3569%
Total CORE Electric		20,352,864	19,333,632	39,686,496	73.1426%
Natural Gas	National Grid	5,385,328	6,766,682	12,152,010	22.3963%
	Unitil	1,356,570	1,064,003	2,420,573	4.4611%
Total Natural Gas		6,741,898	7,830,685	14,572,583	26.8574%
Total All Efficiency Programs		27,094,762	27,164,317	54,259,079	100.0000%

1. Program administrators to be invoiced on the pro rata share indicated in this column.

SB 323 invoices should be sent to the following:

National Grid invoices

Angela Li
National Grid
201 Jones Rd 5th Fl
Waltham, MA 02451-1613

New Hampshire Electric Cooperative

Carol Woods
New Hampshire Electric Cooperative
579 Tenney Mountain Highway
Plymouth, NH 03264

Public Service of New Hampshire

Thomas Belair
780 North Commercial St
Manchester, NH 03101

Unitil Energy Systems Inc

Thomas Palma
Unitil Energy Systems Inc
6 Liberty Lane West
Hampton, NH 03842