

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 10-188

**2011-2012 CORE ELECTRIC AND NATURAL GAS ENERGY EFFICIENCY
PROGRAMS**

OFFICE OF THE CONSUMER ADVOCATE'S CLOSING STATEMENT

**I. FULL IMPLEMENTATION OF HOME PERFORMANCE WITH ENERGY STAR
PROGRAM**

The Office of the Consumer Advocate (“OCA”) respectfully requests that the New Hampshire Public Utilities Commission (“Commission”) approve the full implementation of the fuel-neutral Home Performance with Energy Star (“HPwES”) program. Approving Public Service Company of NH and Unitil Energy Systems’ proposal is lawful, fair and consistent with the public interest.

As proposed, the HPwES program will provide electric system benefits, both direct and indirect, including the ancillary system benefits of reducing electricity usage associated with home cooling during peak summer loads. As proposed, the program reduces market barriers to investments in energy efficiency and targets cost-effective opportunities that may otherwise be lost due to market barriers.

Full implementation of the HPwES program is consistent with state law and policy including the state’s restructuring statute, the state’s 25x’25 Renewable Energy Initiative and the NH Climate Action Plan. Also, full implementation of the program is consistent with the Commission’s recent decision on PSNH’s tariff filing dated April 20, 2012. Specifically, the Commission allowed PSNH to revise its tariff, which permits the use of SBC funds to weatherize 500 homes without regard to the type of fuel used to heat the homes. Contrary to its opposition of the HPwES program in this phase of this proceeding, Staff recommended that the Commission

allow this tariff revision, and with it a part of the existing HPwES program, to take effect as a matter of law.

There is also precedent in NH for full implementation of successful fuel-neutral energy efficiency programs funded by the SBC, including: The Home Energy Assistance Program, which provides weatherization services in low-income customers' homes regardless of heating source; and The Energy Star Homes program, which provides energy efficiency measures in new homes regardless of heating source. To the extent that the Commission does not approve the use of SBC funds to implement the fuel-neutral HPwES program as filed, the OCA is concerned that ongoing funding for other fuel-neutral CORE programs may be impacted.

In addition to its consistency with Commission precedent, the HPwES program meets the Benefit-Cost threshold using the Total Resource Cost test required by the Commission to assess the cost effectiveness of energy efficiency programs. As proposed in the revised plan (attached to the Settlement Agreement dated December 18, 2011), the PSNH program has a Benefit-Cost ratio of 2.1 and the UES program has a Benefit-Cost ratio of 1.55. Both of these are well above the minimum 1.0 threshold and provide a basis for approval of these programs.

As the Commission knows – and has found to be in the public interest for more than 10 years – investing ratepayer funds in cost-effective efficiency measures allows customers to access an energy resource that is cheaper than energy supply, and that provides benefits including lower bills far into the future. To lose the opportunity to access these programs, especially for customers with low incomes, would be a loss for all ratepayers.

We do not share Staff's concern regarding the utilities' analysis of company-specific customer data, and we do not agree with Staff's position that generic usage data from the US

Energy Information Administration (see Staff Direct p. 33, fn. 2, referring to EIA's Residential Energy Consumption Survey) is more appropriate as a basis for the Commission's decisions in this proceeding than the available, utility-specific data. PSNH and UES's use of company-specific data to perform analyses for Commission filings is not unusual, and Staff had the opportunity, which it did not avail itself of, to probe in discovery for further information about the utilities' data and analysis. Each of the Companies possesses energy efficiency expertise and their data collection and analyses fall within the scope of this expertise. The data and analyses presented by the Companies in this docket did not require outside consultant services or independent, third-party verification as Staff suggested. The Commission routinely relies on company-performed, company-specific data analyses as bases for determinations.

With regard to the performance incentive (PI) issue, we understand the utilities' desire for consistency and simplicity in applying the same PI formula to the proposed fuel-neutral HPwES program. However, there are reasonable policy questions outstanding about the appropriateness of rewarding electric utilities for capturing non-electric savings. Rather than approving the utilities' proposed PI formula for the full HPwES program at this time, the OCA recommends that the Commission direct the Core program stakeholders through the PI subgroup, to research and discuss how non-electric savings is rewarded in other jurisdictions, to review the relevant recommendations and findings in the VEIC energy study, and to report back to the Commission with recommendations. The OCA looks forward to the opportunity to participate with other stakeholders in this endeavor.

The HPwES pilot program has successfully served NH electric customers for three years; has been subject to scrutiny by a third-party evaluator, which recommended full-scale


implementation going forward; and has been modified by the utilities consistent with the third-party evaluator's other recommendations for improvement. Utilities' Direct pp. 16-18. The OCA supports the full implementation of the fuel-neutral HPwES program and asks that the Commission approve it as proposed.

II. PARK PLACE HOME PERFORMANCE WITH ENERGY STAR PROJECT

At the hearing on June 22, 2012, the Commission sought responses from the parties to a filing by UES and Northern Utilities, Inc., dated June 14, 2012, which sought waivers of the practice of using the Home Heating Index screening test for HPwES program eligibility determinations. UES and Northern also sought a waiver of any cap on the number of homes to be served through the HPwES program for the 2012 program year. The project to which the waiver requests relate is "nearly complete" or may be completed. See Transcript Day 3 p. 89 ll. 15-16.

The OCA disagrees with the timing of the Company's requests for relief. The Company should have sought the waivers before beginning the project. Nevertheless, the OCA does not oppose the Companies' requests for relief. However, the OCA recommends that the Commission direct the Company – as well as the other Core-participating utilities - to address how projects like this will be handled going forward in the upcoming two-year Core Energy Efficiency program filing. The OCA also recommends that the utilities consult with other CORE stakeholders in formulating a response to this Commission directive.

Respectfully submitted,



Rorie E.P. Hollenberg
Assistant Consumer Advocate
Office of Consumer Advocate
21 S. Fruit St., Ste. 18
Concord, N.H. 03301
(603) 271-1173
rorie.e.p.hollenberg@oca.nh.gov

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was forwarded this day to the service list by electronic mail.

July 9, 2012



Rorie E.P. Hollenberg