



**Public Service
of New Hampshire**

780 N. Commercial Street, Manchester, NH 03101

Public Service Company of New Hampshire
P. O. Box 330
Manchester, NH 03105-0330
(603) 634-2961
(603) 634-2438 Law Dept. Fax
Matthew.foosum@nu.com

A Northeast Utilities Company

Matthew J. Fossum
Counsel

March 20, 2012

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429



RE: DE 10-188 CORE Energy Efficiency Programs
Assented-to Request to Amend Electric Utilities' Home Energy Assistance Program

Dear Ms. Howland:

On August 10, 2012, pursuant to the approved schedule in Docket No. DE 10-188, the electric utilities filed a joint utility proposal for the use of RGGI funds during the remaining months of the 2012 CORE program year. On October 17, 2012, the Commission issued Order No. 25,425 approving the Joint Utility Proposal with modifications. One of the modifications included the provision of an additional \$1,190,000 to the utilities to provide weatherization services to low income homes via the Home Energy Assistance Program ("HEA") through the Community Action Agencies ("CAAs"). This additional money came from the reallocation of funds previously generated through the Regional Greenhouse Gas Initiative ("RGGI").

On February 12, 2013, the electric utilities submitted an informational filing in compliance with the order. In that filing, the electric utilities proposed certain changes to the HEA program. In particular, the electric utilities proposed that, through the HEA, certain space and water heating equipment in qualifying low income homes would be replaced with ENERGY STAR® certified equipment. On February 27, 2013, Staff of the Commission filed a recommendation that, in relevant part, agreed with the electric utilities' proposal to replace the space and water heating systems with ENERGY STAR certified systems under the HEA program.

In 2012, the Federal Department of Energy and Environmental Protection Agency, the agencies overseeing the ENERGY STAR program, implemented certain changes to the efficiency requirements for furnace fans in oil-fired furnaces. As a result, no furnaces used for

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heating mobile homes, also known as manufactured houses, currently qualify under the ENERGY STAR program.

Through the HEA, the CAAs have installed numerous furnaces in the manufactured houses of income-eligible customers over the past three years. The furnaces installed were, at the time, certified as ENERGY STAR compliant, but the new fan requirements have resulted in these units being removed from the list of eligible ENERGY STAR appliances. Though they no longer carry the ENERGY STAR certification, the furnaces are still highly efficient (meaning that they have an annual fuel utilization efficiency or “AFUE” of at least 85 percent) and are, undoubtedly, more efficient than the systems they replace. The utilities also note that manufactured houses generally have design restrictions that make cost-effective substitutions unavailable.

Although no furnace designed for use in manufactured houses currently qualifies as ENERGY STAR compliant, the electric utilities would, nonetheless, propose that through the HEA program, aged and inefficient systems continue to be replaced with systems having an AFUE greater than or equal to 85 percent. Accordingly, the electric utilities request to amend their prior filing to allow for the installation of heating systems having an AFUE greater than or equal to 85 percent in manufactured houses under the HEA, without the requirement that they be ENERGY STAR certified. The utilities will continue to monitor for the availability of an ENERGY STAR qualified fan or furnace. Where possible, cost-effective ENERGY STAR compliant furnaces will be used in manufactured houses.

The electric utilities represent that the CAAs, the Office of Energy and Planning, the Staff of the Commission, the Office of Consumer Advocate, The Way Home, the New Hampshire Department of Environmental Services and the New Hampshire Community Loan Fund all agree to the proposal to use 2012 CORE program year RGGI funds on non-ENERGY STAR rated furnaces. In addition, the electric utilities have circulated this letter to the service list for DE 10-188 for comments and have received no objections. The electric utilities, therefore, request permission to use the 2012 CORE program year RGGI funds in the HEA for the installation of new furnaces in manufactured houses, in the manner described above.

Thank you for your assistance with this matter. Please do not hesitate to contact me should you have any questions.

Very Truly Yours,



Matthew J. Fossum

CC: Service List (electronic mail only)

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