

2011-2012 CORE Electric Programs and Natural Gas Energy Efficiency Programs

DE 10-188

STAFF DATA RESPONSES TO PSNH SET 5

Date Request Received: 04/04/12

Date of Response: 04/18/12

Request No. PSNH 5-3

Witness: James J. Cunningham, Jr.
and Al-Azad Iqbal

REQUEST:

Reference page 4, lines 11-14. It suggests that the Home Energy Solutions program, predecessor to HPwES, was offered only to Group 1 customers (i.e. those who use electricity for 100% of their household energy usage). However, from the program's inception, the HES Program was "...targeted first to customers with electric heat and then to those with high electric use." (DE 01-057, PSNH Utility Specific Filing, January 21, 2002, and in all subsequent CORE filings through 2007). Further, in DE 08-120, PSNH testified that it was not necessary for a home to be heated 100% with electricity (see Order NO. 24,930, p. 12). Has the fact that the HES program was offered to other than Group 1 customers been factored into any of Staff's analysis? If so, how?

RESPONSE:

Please see response **PSNH 5-1**

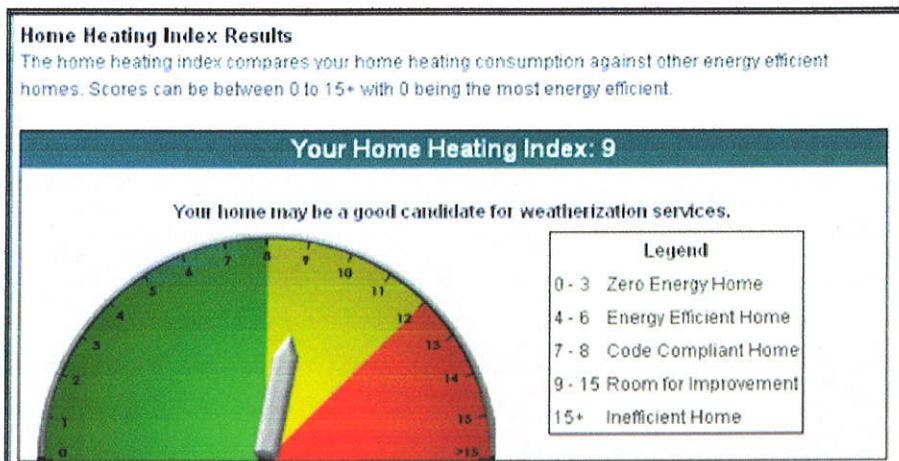
2. NH Home Performance with ENERGY STAR® Program

Overview:

This program will continue to improve the efficiency of the existing housing stock in NH by assisting customers with improvements to the energy efficiency of their home. Basic services include air sealing, insulation, and cost effective appliance and lighting upgrades. Participating customers can receive up to \$4,000 in program services. Co-payments are required and are determined based on the measures installed. The program also has a strong educational component designed to help customers better understand their home and the factors that affect energy use.

All four utilities offer this program to their electric heat customers and customers looking to improve the electric efficiency of their homes. The utilities have been using the Home Heating Index tool to identify homes that are good candidates for weatherization measures. With just three pieces of information (zip code, conditioned square footage of home and annual heating fuel usage) this tool will create a tailored Home Heating Index. The utilities are using this tool to screen for qualified weatherization candidates. (The higher the score, the more energy used per square foot, and therefore the more opportunity for energy savings.)

Customers whose homes are already code compliant or better are given links to educational material and other energy-related web sites. Customers whose homes have room for improvement are asked to fill out an application form and provide two year's of heating fuel usage data. As the higher use customers are served, the qualifications can be lowered over time. The following is a screen shot of our screening tool of a customer who qualifies for the program.



During 2009 and 2010, PSNH and Unitil served fuel neutral customers via a pilot program. In preparation for an impact evaluation, the utilities contracted with KEMA Inc, in 2010 to provide an early assessment of this program, specifically looking to provide recommendations for program improvement and to assess the ability of the tracked program data to support a downstream impact evaluation effort. A summary of their findings include:

The HPwES Program had no significant implementation problems noted at the time of the interviews and tracking review. Our interview data collection regarding program marketing, data tracking and QA/QC suggests that the pilot effort has been successful with respect to program delivery. The traffic to the program has been sufficient in building up program activity to test program operation and to highlight those elements that are performing particularly well from the contractor and utility point of view and some that are not. These have been discussed earlier and are further bulleted below.

- ✓ *HHI screening tool appears to be highly successful in providing candidates that have ample opportunities for efficiency improvements to contractors.*
- ✓ *Closure Rate reported closure rates on major measures were consistently cited to be better than 90%, which is particularly high for a program of this nature.*
- ✓ *Contractors reported high levels of satisfaction with the program and further reported that they believe customers are highly satisfied and are getting a good deal of value from the program offerings. Reasons for reported contractor satisfaction included that they felt like a partner in the program, that the program is authentically trying to help customers and that the program is successful.*
- ✓ *Program Administrators have been satisfied with how program operations have rolled out and been received by customers.*
- ✓ *Customers were reported by contractors to be getting a good value from the program. One contractor reported that many of the customers he has served have been "ecstatic" and he has received many customer referrals. Another reported that they get many comments about draft reduction and comfort level improvements among participating homes.*

Based on these initial findings, PSNH and Unitil have included continued fuel neutral services through this weatherization program for 2011 and 2012.

Marketing & Education:

Marketing for the NH Home Performance with Energy Star Program will focus on referrals from customer service and 211NH.org, referrals from existing customer participants, and customers/members who have self-qualified via the NHSaves.com Home Heating Index screening tool. Program brochures will also be handed out at special events (e.g., home shows) and mailed out upon request. Home Energy Auditors will also market the program as necessary to meet participation goals, and the utilities may include articles in their bill inserts. While ramping this program up in 2009, some new marketing approaches were tested that may also be used in the future, including Twitter and Facebook messages about the program, articles in trade ally newsletters, promotion in senior citizen seminars/newsletters, working directly with towns, interviews on radio shows, and working with realtor groups.

Delivery:

Due to the market saturation of electrically heated homes in different service territories, PSNH and UES are proposing to serve high energy use¹⁶ homes while NHEC and GSECo will continue serving electrically heated homes. NH Electric Utility personnel will administer the program and will contract for the delivery of program services. Additionally, customers will be educated and informed about opportunities for installing renewable energy technologies.

	2011	2012
Goals/Benefits:		
Estimated Number of Customers to be served:	1,150	1,236
Projected lifetime kWh savings:	9,942,742	10,507,451


In addition to improving the energy efficiency of NH homes, another benefit will be the continued development of a NH infrastructure that can support and deliver energy efficiency improvements. Other benefits include developing a demand for energy efficiency by homebuyers, renters, property owners, homebuilders, and the real estate community.

Budget:

January 1 - December 31	\$2,096,748	\$2,280,196
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Measures of Success & Market Transition Strategy:

Success factors for this program include attaining the planned participation and energy savings goals. New technologies may change the types of products that are eligible for rebates in the future. Evaluations will help determine program changes, if needed, over time to address the following market barriers.

Efficiency Market	Market Barrier	Program Intervention	Program Objective
Customer Demand  Supply Infrastructure	Lack of knowledge regarding factors that affect energy use	Homebuyer, renter, property owners, and homebuilder education	Increased program participation
	Uncertainty regarding energy and cost savings of efficiency upgrades	Interest-free weatherization loans for qualifying customers	Increased demand for energy effic. upgrades Support the development of an infrastructure capable of delivering energy efficiency improvements
	Prohibitively high costs associated efficiency upgrades	Financial incentives	Increased market penetration of energy efficient homes, appliances and lighting Achieve energy savings goals

¹⁶ “High Energy Use” customers are currently being qualified using the Home Heating Index tool.