

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

IR 15-072

ELECTRIC AND NATURAL GAS UTILITIES

Energy Efficiency Investigation

ORDER OF NOTICE

On February 3, 2015, the New Hampshire Public Utilities Commission (Commission) received a filing from Commission Staff (Staff) entitled “Energy Efficiency Resource Standard: A Straw Proposal for New Hampshire” (Report). The Report and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission’s website at www.puc.nh.gov.

The Commission and the New Hampshire electric and gas utilities have implemented a wide range of energy-efficiency policies and programs since the mid-1990s. During that time, those activities became known as the “Core” programs. Through Core, the Commission and the utilities have provided uniform and statewide products and services tailored for business, residential and income-eligible customers or members. In addition, there are utility-specific programs that have been used to test new technologies, to pilot new programs before offering the program statewide, or to offer a program that may be pertinent to the customers or members of a particular utility. Most recently, the Commission approved the Core programs for 2015 and 2016.¹

According to one source, an Energy Efficiency Resource Standard (EERS) establishes “specific, long-term targets for energy savings that utilities or non-utility program administrators

¹ Electric and Gas Utilities, Order No. 25,747 (December 31, 2014), <http://www.puc.nh.gov/Regulatory/Docketbk/2014/14-216/ORDERS/14-216%202014-12-31%20ORDER%20NO%2025-747.PDF>.

must meet through customer energy efficiency programs.”² As of August 2014, twenty-four states had fully-funded initiatives in place that met that definition of an EERS.³

In the Report, Staff summarizes the findings of its investigation and analysis, identified and organized according to several “main” topics, including:

1. Establishment of an EERS;
2. Setting energy efficiency targets;
3. Methods for collection, measurement, and verification;
4. Administration and third-party administrators;
5. Utility performance incentives and cost recovery for lost revenues; and
6. Sources and methods of funding available.

The Report also discusses the possible impact of pending federal environmental-protection rules. For each topic, Staff provides information about practices in, and experiences from, other jurisdictions, input from stakeholders, questions for additional consideration, and a series of preliminary recommendations. The Report concludes with Staff’s recommendation to establish, in the short term, an EERS by recasting and gradually expanding the scope of the existing Core energy-efficiency programs, including increasing the role of private-sector financing.

The Commission initiates this investigative proceeding to receive stakeholder input on Staff’s Report and recommendations. Recognizing that Staff’s Report recommends short and long-term objectives and activity, the Commission opens this non-adjudicative proceeding to consider next steps in a multi-phased manner.

1. In the first phase of this proceeding, the Commission seeks to identify specific points of consensus with certain of Staff’s short-term recommendations regarding

² American Council for an Energy Efficient Economy (ACEEE), <http://www.aceee.org/topics/eers>.

³ *Id.*, see also ACEE’s State EERS Policy Brief, <http://www.aceee.org/files/pdf/policy-brief/eers-04-2014.pdf>.

establishing an EERS in New Hampshire including: The recommendation that the Commission establish an EERS for electric and natural gas utilities at this time.

2. The recommendation that the Commission establish the EERS for an initial long-term period of ten-years, with interim, short-term goals approved by the Commission;
3. The recommendation that the Commission set the first two-year EERS goals that are consistent with the goals established for the 2015 and 2016 Core programs, in DE 14-216; and
4. Any other Staff short-term recommendation on which the Commission would be required to act in order to establish and oversee an EERS for electric and natural gas utilities with an initial period of ten years, segmented by two-year program periods, and with 2015 and 2016 goals consistent with the existing Core 2015 and 2016 goals.

Specifically, the Commission also seeks recommendation of what, if any of, these Staff's short-term recommendations may be implemented by the Commission in DE 14-216, before, or at the time of, the 2016 mid-course review and consistent with the Commission's approval of the 2015-2016 programs approved in December 2014. Order No. 25,747..

The Report raises, *inter alia*, issues related to RSA 374-F:3, X, and whether an EERS would reduce market barriers to investments in energy efficiency, provide incentives for appropriate demand-side management, while not reducing cost-effective customer conservation, as well as allow utilities to provide cost-effective opportunities that may otherwise be lost due to market barriers; RSA 374-F:3, VI, and whether system benefits charge (SBC) funds could properly be used to support energy efficiency programs within an EERS; RSA 125-O:23, and whether Regional Greenhouse Gas Initiative (RGGI) auction proceeds would properly be utilized to fund energy efficiency programs within an EERS; RSA 378:7 and 378:28, and whether an

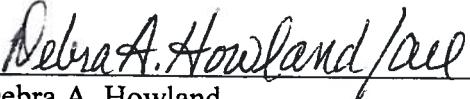
EERS would be consistent with the Commission's authority to require utilities to recover only just and reasonable rates; RSA 378:37 and RSA 378:39, and whether an EERS is consistent with the Commission's authority to oversee utility integrated least cost planning, including that the Commission consider energy efficiency as a first-priority resource for energy supply. The electric and gas utilities regulated by the Commission shall participate in this investigation and all other parties to DE 14-216 are encouraged to participate. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that the Executive Director shall notify all persons of this investigation by publishing a copy of this Order of Notice on the Commission's website, www.puc.nh.gov, and by electronic mail to the electric and gas distribution utilities as well as all persons on the Commission's service list for DE 14-216; and it is

FURTHER ORDERED, that written comments consistent with this order and N.H. Code Admin. Rules Puc 202.06 may be filed with the Commission's Executive Director on or before April 3, 2015.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of March, 2015.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
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- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.
- c) Serve a written copy on each person on the service list not able to receive electronic mail.

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