

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Electric and Gas Utilities

2018-2020 Statewide Energy Efficiency Plan; 2019 Update

Docket No. DE 17-136

MOTION FOR RECONSIDERATION

NOW COMES the Office of the Consumer Advocate (“OCA”), a party to this docket, and pursuant to Puc 203.05, Puc 203.07 and RSA chapter 541-A, hereby moves the New Hampshire Public Utilities Commission for reconsideration of Order No. 26,192 (the “Order”), issued on November 19, 2019 in the instant proceeding,¹ relating to a motion to compel data responses filed by the OCA on October 17, 2018.

Pursuant to RSA 541:3, the Commission may grant rehearing or reconsideration when a party states good reason for such relief. *Public Service Company of New Hampshire*, Order No. 25,361 (May 11, 2012) at 4. Good reason may be shown by identifying new evidence that could not have been presented in the underlying proceeding or by identifying specific matters that were overlooked or mistakenly conceived by the deciding tribunal. *Id.* at 4-5. A successful motion for rehearing does not merely reassert prior arguments and request a different outcome. For the reasons stated below, the OCA submits that the Commission overlooked or mistakenly conceived factual matters in Order No. 26,192 and

¹ Although the Order is dated November 16, 2018, it was not actually issued by the Commission to the parties or anyone else until November 19, 2019. Copies of three correspondences verifying this issuance date are attached to this Motion for reconsideration.

that reconsideration is therefore appropriate.

In the Order, the Commission denied the OCA's motion to compel on relevance grounds because it found that "geo-targeting of EE [energy efficiency] programs falls outside the scope of this update," due to its concern that "considering major program changes each year would be inconsistent with the need to provide Utilities with planning-related certainty" and "would likely require annual review and adjustment of performance incentive metrics." Order No. 26,192 at 6. It further stated that "EE program continuity is important to help avoid utility customer confusion and/or frustration from [an] EE program being available one year and then not available the next." *Id.* (citation omitted).

While we take no exception to the proposition that major program changes during updates can interfere with settled expectations as reflected in a previously approved triennial plan, such changes also present an opportunity and, as such, the Commission has allowed the Utilities to propose program changes that are not so drastic as to affect program continuity and consistency adversely. The geo-targeting of EE falls well within the scope of such revisions, as exemplified by the more detailed explanation of geo-targeting strategies below, and their comparison to substantially similar but even more significant program revisions set forth in the 2019 Update submitted by the Joint Utilities.

Furthermore, since any geo-targeting of EE would likely use existing statewide programs, such a strategy would not require any annual review and adjustment of a performance incentive outside the existing performance incentive and lost revenue mechanism that support the statewide programs.

Relatedly, since any geo-targeting of EE would likely take place over a period of

several years and be delivered through existing program structures, it would not likely disrupt program continuity in a manner that causes customer confusion and/or frustration.

1. Minimal Degree of Program Changes Associated with Geo-Targeted EE

Geo-targeting EE would not likely be a major program change inconsistent with the need to provide the utilities with planning-related certainty because, in many cases, geo-targeting EE does not require any adjustment to existing statewide programs outside of a targeted marketing, revised incentives, and/or a more accurate avoided distribution cost for a specific geographic area. In other words, the existing statewide programs, Staff, and contractor channels are generally harnessed to deliver geo-targeted energy efficiency, with very little adjustment to existing programs other than to provide for targeted marketing, a more accurate avoided cost, and at times revised incentive levels related to that revised avoided cost value. In the instant docket, the testimony filed by Chris Neme on behalf of the OCA on November 2, 2018 is illuminating on this issue, and excerpted below:

At a high level, there are three ways that a utility can increase local peak savings in a specific geographic location:

1. Local target marketing of existing system-wide programs: utilities can increase the marketing of their system-wide efficiency programs, with a specific focus on marketing to the customers in the targeted geographic area;
2. Increase local incentives for measures promoted through existing system-wide programs: utilities can increase the rebate levels and/or other financial incentives just for customers in the targeted geographic area; and
3. Deployment of new programs not currently part of their system-wide program portfolio: utilities can design and deploy new programs just in the targeted geographic area.

Neme Testimony at 13. In two out of the three examples given by Mr. Neme, the geo-targeting of the statewide energy efficiency program, especially when conducted on a very

limited number of circuits, would not result in major changes to the statewide programs beyond those changes normally contemplated in the updates.

Marketing budgets, incentive levels, and avoided costs are all program aspects subject to change in the annual updates, and in fact, have been revised by the utilities in the 2019 update of the 2018-20 Plan, some of which are described below.

A. 2019 Update Program Revisions Relating to Targeted Marketing

The 2019 Update describes revisions to Eversource's Customer Engagement Platform ("CEP") for 2019 that will allow the company to target program marketing to customers through a machine learning tool called Ex Machina, that will help Eversource determine the most appropriate messaging. 2019 Update at 26. Eversource could use that same customer data available in the CEP to target-market programs based on a customer's usage and location on a capacity constrained portion of the distribution system. Such targeted messaging is precisely the type of program revision which would accompany efforts to geo-target EE, except that in the case of geo-targeted EE, it would only occur for a limited number of customers on a few capacity constrained circuits, rather than at the statewide level for all customers who use the CEP.

B. 2019 Update Program Revisions Related to Incentive Levels

The 2019 Update describes revisions to the incentives provided in the Energy Star Homes Program, such as the addition of a new incentive tier for homes that are built to the higher expectations of Energy Star v.3.1. 2019 Update at 22. The 2019 Update also describes revisions to the incentive for the Energy Star Products Program, such as de-emphasizing or eliminating certain water heating products in 2019. 2019 Update at 23. Furthermore, for the large business, small business, and municipal programs, many of which

will probably provide the bulk of the savings for any geo-targeted EE locations, the program administrators often offer custom incentives based on specific site conditions and can therefore revise their incentive offerings at will, based on the specific circumstances and avoided costs of the project. 2019 Update at 27. The adjustment of incentives levels in a limited geographic area to encourage the geo-targeting of EE is a program adjustment far more limited in scope than the complete elimination of products or addition of incentive tiers on a statewide basis suggested in the Joint Utilities' 2019 Plan Update.

C. 2019 Update Program Revisions Related to Incentive Levels

The 2019 Update describes significant revisions to the avoided costs originally provided in the 2018-20 Plan, largely based on the newly updated Avoided Energy Supply Cost in New England study, but also including additional avoided costs suggested by the Joint Utilities on their own accord, such as a ten percent adder for low-income programs and the non-embedded environmental costs associated with fossil savings. These revisions for 2019 are a significant departure from what was filed in the 2018-20 Plan and will affect the entirety of the statewide programs. In the case of geo-targeted EE, the avoided costs—and ratepayer benefits—associated with peak-reducing measures are generally higher because they supplement the avoided distribution value set forth in the Avoided Energy Supply Cost Study utilized for the statewide programs with the value of avoiding or deferring a specific distribution system upgrade. In short, revising the avoided distribution value applied to geo-targeted EE locations is as simple as revising one component of a much larger value stack of avoided costs that we apply to the statewide programs, and applying it only to a specific circuit. Such a program revision is much more limited in scope than that which has been proposed by the utilities in their 2019 Plan Update.

2. No Annual Review and Adjustment of Performance Incentive Metrics Required

Inclusion of geo-targeted EE in the statewide programs would not require annual review and adjustment of performance incentive metrics. As explained above, because the geo-targeting of energy efficiency would not require development or implementation of any new programs, and furthermore would require only minimal revision to certain aspects of the existing statewide programs which are well-within the boundaries of the revisions the Joint Utilities have proposed in the 2019 Update, the performance incentive that is already associated with the statewide programs would adequately compensate the utilities under the performance incentive and lost base revenue mechanisms the Commission approved for the statewide plans and associated Energy Efficiency Resource Standard. Order No. 25,932 at 59-60.

3. Geo-targeted EE Will Not Negatively Impact Program Continuity

Inclusion of geo-targeted EE in the statewide programs would not disrupt program continuity in a manner that is likely to lead to customer confusion and/or frustration because: (1) for the reasons stated above, such a strategy would be entirely based on application of the existing statewide programs and therefore encourage program continuity; and (2) by their very nature, geo-targeted EE strategies are offered for several years at a time. Neme Testimony at 22. Such strategies would therefore have no negative impact on program continuity or lead to customer confusion or frustration.

Furthermore, while the OCA acknowledges the importance of program continuity, the idea that major program revisions can only occur within the context of a triennial plan update is concerning. Energy efficiency industry, program delivery best practices, and technologies that are vital to the implementation of the programs change at a drastically more rapid pace than every three years. If the Joint Utilities are the only stakeholders permitted to propose such

changes during Plan updates, it locks New Hampshire into a process that discourages collaboration between the joint utility and non-joint utility stakeholders and limits the embrace of program innovations that can maximize ratepayer value. The OCA is therefore less concerned about the limitation on discovery imposed via Order No. 26,192 than it troubled by the possibility that a ruling made in the context of a discovery dispute will have lasting an untoward consequences with respect to the adaptability and flexibility of New Hampshire's Energy Efficiency Resource Standard as it is presently administered.

WHEREFORE, the OCA respectfully request that this honorable Commission:

- A. Reconsider its Order denying the OCA's Motion to Compel Data Responses relative to geo-targeted EE; and
- B. Grant any other such relief as it deems appropriate.

Sincerely,

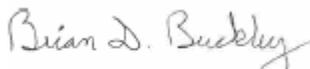


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Certificate of Service

I hereby certify that a copy of this Motion was provided via electronic mail to the individuals included on the Commission's service list for this docket.



Brian D. Buckley