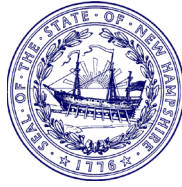


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February 18, 2022

Daniel C. Goldner, Chair
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301-2429

Re: DE 11-250, DE 14-238, and DE 22-004, Clean Energy Fund established by
Public Service Company of New Hampshire d/b/a Eversource Energy
Department of Energy Response to OCA Request for Hearing

Dear Chair Goldner:

The Department of Energy (Department) hereby responds to the request for hearing in this matter submitted by the Office of the Consumer Advocate (OCA) on February 15, 2022. The Department supports the OCA's request for a hearing and agrees that the Commission should leave oversight and administration of the Clean Energy Fund to the Department, consistent with the intent of the settling parties in the agreement that created the Clean Energy Fund.¹

Pursuant to Order No. 26,577 (February 4, 2022), Order *Nisi* Approving with Conditions the Amended Joint Proposal for Use of Clean Energy Fund (Clean Energy Fund Order), interested persons were directed to submit comments or a written request for a hearing stating the reason and basis for a hearing by February 15, 2022, while any party interested in responding to such comments or request for hearing were directed to do so by February 24, 2022. The Department is a party in this docket, as successor to the former Commission staff and to the Office of Strategic Initiatives (OSI), both of which are now consolidated into the Department.

In the Clean Energy Fund Order, the Commission approved in part and denied in part, with conditions, the April 14, 2021 Amended Joint Proposal for Use of the Clean Energy Fund as submitted by former Commission staff and OSI. The Commission accepted certain programs described in the joint proposal, but denied without prejudice the request for a determination that the proposed low-moderate income program for Eversource's residential customers and the proposed financing program for Eversource's commercial

¹ See "2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement," filed on June 10, 2015 in Docket No. DE 14-238, as subsequently amended (2015 Settlement Agreement); the 2015 Settlement Agreement was approved by the Commission in Order No. 25,920 (July 1, 2016) in connection with the divestiture of generation assets by Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource).

and industrial customers conform to the four objectives specified in the 2015 Settlement Agreement. Instead, the Commission directed the parties to submit detailed proposals for use of the balance of the Clean Energy Fund by May 1, 2022, which proposals may include those programs or alternative proposals for use of the funds consistent with the four criteria set forth in the 2015 Settlement Agreement.

The Clean Energy Fund Order also established a new proceeding, Docket DE 22-004, for purposes of facilitating the ongoing collaborative process for interested stakeholders to continue to develop the approved programs and to propose detailed programs for the remaining balance in the Clean Energy Fund. The Commission indicated that its oversight of the Clean Energy Fund and associated programs would be conducted in that new docket, including an annual review and assessment of program development and implementation for prudence of costs and allocation of funds, and the Commission “request[ed] the Department’s assistance for this review.” The Commission apparently contemplates that its annual review will “assess the administrative costs of active programs, levels of interest from ratepayers, and whether funds and/or programs should be re-evaluated.”

The Commission also directed Eversource to submit annual reports in the new docket on the financial status of the Clean Energy Fund and the programs it supports, by May 1 of each year beginning this year. Those reports must include detailed information regarding participation levels in each program, on-bill financing and rebate payments, and detailed summaries of all costs and forecasted benefits over the projected life of each program. In particular, the required annual reports must include:

- (a) a summary of actual and projected administrative costs over the life of each program, including sources of administrative costs, estimates of the number of employees and/or contractors required to administer the program, the estimated cost of such personnel, and whether program administration can be combined with existing processes and programs to create administrative efficiencies;
- (b) a discussion of any overlap with Renewable Energy Fund programs, NHSaves initiatives, or the Triennial Plan for Energy Efficiency Resource Standards (EERS), and consideration of the benefits and detriments to combining or managing programs together;
- (c) a discussion and assessment of whether third party management of the program may be cost effective and
- (d) provision for annual audits of program income and expenditures.

Under the approved 2015 Settlement Agreement, the “details” of deployment of the \$5 million Clean Energy Fund funded upon Eversource’s generation assets divestiture are to be “established via a collaborative process overseen by Commission Staff and the Office of Energy and Planning.” The Office of Energy and Planning (OEP) subsequently was renamed as OSI and is now part of the Department, as is former Commission Staff. The Department agrees with the OCA that the level of intensive oversight by and further process before the Commission, as outlined in the Clean Energy Fund Order, is

inconsistent with the relevant provisions of the approved 2015 Settlement Agreement and the settling parties' expectation as to how those provisions would be implemented. The Commission acknowledged that expectation in Order No. 25,920, stating that the Fund would be "administered in a collaborative process involving Eversource, OEP, and Commission Staff."

Moreover, although the Commission is directed by statute to serve as "the arbiter between the interests of the customer and the interests of the regulated utilities" (under RSA 363:17-a), it is important to note that the Clean Energy Fund effectively represents Eversource shareholders' money and not money it collected from ratepayers. Therefore, this is not a situation where the Commission must balance the interests of utility customers and shareholders, as the shareholders themselves have provided the funding to be used for the broad purposes described in the approved 2015 Settlement Agreement. As observed by the OCA, the "ratepayers and the shareholders are on the same page about the Clean Energy Fund."

Under these unique circumstances, the Commission should refrain from direct involvement in decisions regarding the design, funding, and administration of programs funded by the Clean Energy Fund, and instead leave oversight and administration of the Fund to the Department. That restrained approach would be consistent with the settling parties' expectations and the Commission's prior approvals, and would be much preferable to subjecting the Clean Energy Fund to further intensive adjudicative or investigatory proceedings before the Commission. And that approach also would permit the Clean Energy Fund to begin serving the purposes for which it was created many years ago sooner and more efficiently.

Thank you for your attention to this response. Pursuant to current Commission policy, this filing is being made electronically only.

Sincerely,

/s/ David Wiesner

David K. Wiesner
Legal Director/Sr. Hearings Examiner

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