

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-068

ELECTRIC AND GAS UTILITIES

2024 – 2026 Triennial Energy Efficiency Plan

Procedural Order Re: Record Requests and Requests for Specific Answers

The Commission requests that Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty; New Hampshire Electric Cooperative, Inc.; Public Service Company of New Hampshire d/b/a Eversource Energy; Unitil Energy Systems, Inc.; Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty; and Northern Utilities, Inc. (together, the “joint utilities”) respond to the following record requests and requests for specific answers. These requests are designed to aid the Commission’s expedited review of the 2024–2026 Triennial Energy Efficiency Plan (“Plan”) to ensure programming and incentive levels have been optimized to deliver ratepayer savings. We issue these requests in the spirit of clarifying many aspects of the Plan prior to hearing, understanding the supporting baseline data in this proceeding, and to meet the Commission’s statutory responsibility pursuant to RSA 374-F:3, VI-a(d)(5) to issue an order no later than November 30, 2023.

In responding to requests for “baseline data”, the joint utilities should construe each request to be for data from the 2018–2020 and 2021–2023 planning periods. The joint utilities should provide data based on actual performance, if available in the first instance, and, if actual performance data is not available, from previously approved energy efficiency plans. In all responses, the joint utilities should identify whether the data provided is based on actual or planned performance.

Furthermore, the joint utilities should identify the source of the data and provide backup workpapers and live Excel spreadsheets, as applicable.

Although the Commission issues these requests on the same schedules as the parties' first deadline to propound data requests on the joint utilities' filing, the Commission recognizes that some of these requests will require research of past energy efficiency periods' plans and performance. Therefore, the Commission requests responses be filed on a rolling basis as they are available, with all responses to filed by August 25, 2023.

Subset 1 – Plan Executive Summary

Request 1-1

Please explain whether the following technologies are eligible for upfront and/or operational incentives within the 2024-2026 Plan, distinguishing between income eligible, residential and C&I customers. If not, please explain whether the technology was evaluated or considered and what factors led to exclusion. Please address both purchase rebate incentives and active demand reduction incentives (such as the Connected Solutions program).

1. Solar photovoltaics.
2. Solar thermal.
3. Battery storage.
4. Electric vehicle supply equipment (EVSE)/chargers.
5. Electric vehicles.
6. Hybrid heating systems (combination natural gas and electric).
7. Geothermal.
8. Service and behind the meter electrical.

Request 1-2

Reference Bates page 9 of the Plan: Please estimate the breakup of the “customer energy cost savings of more than \$675 million over the lifetime of the measures” into “participating” and “non-participating” customers. As needed, provide narrative support (including assumptions) for the breakup analyses requested.

Request 1-3

Reference Bates page 14 of the Plan. The joint utilities state that “[a]ll changes to the Plan are largely budgetary or administrative, with program structure and offerings remaining largely unchanged.”

- 1) Please highlight the budgetary and/or administrative changes.
- 2) On what basis have joint utilities decided to maintain programs and offerings as largely unchanged?
- 3) Please provide a list of the programs that have not been allocated funding in the Plan that received funding between 2021 and 2023.

Subset 2 – Plan Chapter 1 re: 2024 – 2026 Plan Overview

Request 2-1

Reference Bates pages 17–18 of the Plan, tables 1-1 and 1-2.

- 1) Provide comparable “baseline data.”
- 2) Clarify whether “cumulative program funding” includes performance incentive payments.

Request 2-2

Reference Bates Pages 23 and 25 of the Plan, tables 1-7 and 1-8.

- 1) Provide comparable “baseline data.”
- 2) Confirm that forecasted System Benefits Charge and Local Distribution Adjustment Charge revenues are calculated based on the 3-year average consumer price index (CPI-W), and detail how forecasted CPI-W index data, if any, was derived.

Request 2-3

Reference Bates page 29 of the Plan. The joint utilities state that “the NH Utilities retain flexibility within the sector to shift funds between programs to respond to demand for program support and other changes in the marketplace.”

- 1) What trackers do the joint utilities maintain to determine the need to shift funds?
- 2) Are programs with higher benefit-to-cost (B/C) ratios from the primary and secondary B/C tests prioritized? Please explain.
- 3) Explain how the joint utilities intend to shift funds between customer classes or customer types, if applicable.

Request 2-4

Reference Bates page 21 of the Plan. The joint utilities state that “...the 2024-2026 NHSaves Programs will support 1,718 FTEs or 3.6 million work hours.”

- 1) Have the joint utilities conducted any analysis of the income elasticity of energy consumption and estimated the impact on energy consumption associated with the direct jobs and indirect jobs as estimated?
- 2) If so, please provide supporting documentation, and indicate how the analysis informs the Plan’s electric kWh and natural gas MMBtu savings estimations.
- 3) If not, please explain why such an analysis was not performed.

Request 2-5

Reference Bates page 22 of the Plan. The joint utilities identify first-cost obstacles as one of the barriers addressed by the Plan.

- 1) Have the joint utilities analyzed and estimated what customer incentives directed towards “reducing first-cost obstacles” are sufficient to implement the programs proposed in the Plan?
- 2) If so, please provide such analysis.
- 3) Please provide any relevant research papers known to the joint utilities addressing “first-cost obstacles” and the sufficiency of incentives in removing such obstacles.

Request 2-6

Reference Bates pages 22–23 of the Plan. The joint utilities state that “The NHSaves programs work with vendors and retailers on the supply side as well as with customers on the demand side to ensure these and other barriers are comprehensively addressed and overcome.”

- 1) Please list, with any supporting evidence, successful activities in the past three years that have been able to comprehensively address and overcome market barriers that existed.
- 2) Do the joint utilities view the lack of transactive energy markets at a retail level as a market barrier?
 - a. Were transactive energy applications and opportunities analyzed for inclusion within the Plan?
 - b. Will any of the programs described in the plan enable further participation in transactive energy for any of the individual joint utilities?

Request 2-7

Please explain how federal funds are leveraged to support the Plan, including dollars used from the federal government and which programs they are applied to.

Subset 3 – Plan Chapter 2 re: A Multi-Year Plan

Request 3-1

Reference Bates pages 35–36 of the Plan regarding TRM and AESC updates. Describe the scope of potential Plan updates and the decision-making framework used by interested parties to update the TRM.

Subset 4 – Plan Chapter 3 re: NHSaves C&I Energy Efficiency Programs

Request 4-1

Reference Bates page 37 of the Plan. The joint utilities state that “commercial, industrial and municipal customers reduce operating costs ... and increase productivity....”

- 1) Are operating cost savings estimated or separately quantified? If so, please provide such estimates or quantification.
- 2) Is increased productivity estimated or separately quantified? If so, please provide such estimates or quantification.

Request 4-2

Reference section 3.2 of the Plan re: the Small Business Energy Solutions Program.

- 1) Do the joint utilities track repeat participants?
 - a. If so, describe the policies in place regarding total incentives (annual, over multiple years, etc.).
- 2) Does the program target property owners or tenants?
- 3) Section 3.2.1 refers to “market segments.” Do the joint utilities track any data based on market segments?
 - a. If yes, please provide tracked data by market segment category, such as incentive types, average program costs, average incentives, etc.
 - b. If no, please explain.
- 4) What is the maximum incentive percentage to program offers?
 - a. If the maximum incentive is 100%, how much of the program is offered at a 100% incentive level? Please provide historical figures from 2021–2023.
- 5) Section 3.2.2 refers to “Prescriptive Incentives” and “Custom Incentives.”
 - a. Please provide a list of prescriptive incentive measures.
 - b. Please provide any written guidelines used by vendors or utility staff to evaluate cost-effectiveness of custom incentives.

- 6) Section 3.2.3 refers to “midstream distributors.” Provide examples of incentives offered to midstream distributors.

Request 4-3

Reference section 3.3 of the Plan re: the Municipal Program.

- 1) Section 3.3.2 re: “Custom Incentives” refers to “technical studies.” How do the “technical studies” inform the referenced “Custom Incentives”?
- 2) Section 3.3.2 re: “Targeted Incentives” refers to “incremental cost.,” How are “incremental costs” defined and determined?
- 3) Section 3.3.2 refers to “performance contracting.” Are there any “performance contracting” offerings in the Plan other than SmartSTART offerings?

Request 4-4

Reference section 3.4 of the Plan re: the Large Business Energy Solutions Program.

- 1) Section 3.4.2 refers to a list of prequalified measures under the “Prescriptive Incentives” subsection.
 - a. Please provide this list.
 - b. Describe how this list is developed and updated.
 - c. How is the incremental installed cost calculated?
 - d. Is there any cap on project size or incentive level?
- 2) Regarding “Performance Based Incentives” please explain the methods used to determine incentive levels.

Subset 5 – Plan Chapter 4 re: NHSaves Residential and Income Eligible Energy Efficiency Programs

Request 5-1

Reference Bates pages 65 and 70, tables 4-3 and 4-4. Provide comparable “baseline data.”

Request 5-2

Reference Bates page 63. The joint utilities state “[t]he transformation of the residential lighting market has changed both the measure mix and scale of this program....”

- 1) Are any lighting measures still available in the residential suite of programs?
- 2) If so, describe these measures.

Request 5-3

Reference section 4.2 of the Plan re: the ENERGY STAR Homes Program.

- 1) What is the average and maximum discount per measure dollar value?
- 2) What is the average and maximum discount per measure as a percentage of total measure cost?
- 3) Reference Bates page 59 of the Plan, the joint utilities state that “...the program has captured between 15 and 35 percent of New Hampshire’s new construction market...”
 - a. Please explain how this range was derived.
 - b. Is there a percentage penetration estimate of target for the Plan?
- 4) Is the program fuel neutral when considering measures?
- 5) Do geothermal measures qualify within the program?

Request 5-4

Reference section 4.3 of the Plan re: the ENERGY STAR Products Program.

- 1) What is the average and maximum discount per measure dollar value?
- 2) What is the average and maximum discount per measure as a percentage of total measure cost?
- 3) How are product discounts determined?
- 4) Is there a correlation between product discounts and energy savings offered by the product?

Request 5-5

Reference section 4.4 of the Plan re: the Home Performance Program.

- 1) What is the average and maximum discount per measure dollar value?
- 2) What is the average and maximum discount per measure as a percentage of total measure cost?

Request 5-6

Reference section 4.6 of the Plan re: the Home Energy Assistance Program.

- 1) What is the average and maximum discount per measure dollar value?
- 2) What is the average and maximum discount per measure as a percentage of total measure cost?
- 3) Describe steps taken to ensure that program measures benefit income eligible customers after installation. In so doing, address:
 - a. Whether measures installed at tenant occupied residences have any protections against evictions or increases to rental rates for current and future tenants.
 - b. How compliance with any ongoing requirements is monitored and enforced.
- 4) Are benefits from Home Energy Assistance Program measures separately tracked between income eligible property owners and income eligible tenants?
- 5) Is the \$15,000 incentive cap imposed on multi-unit buildings with multiple qualifying participants on a per-building basis, or can a single structure with multiple qualifying participants receive multiple incentives?
- 6) Is there a stay-out for units or buildings after measures have been implemented in a program year?
- 7) Do participant savings account for LIHEAP/FAP, EAP, Weatherization Assistance Program, or other assistance from the state or federal government?

Request 5-7

Reference section 4.1.1 of the Plan re: Financing

- 1) Reference Bates page 56 of the Plan re: on-bill financing.
 - a. List which programs qualify for utility on-bill financing.
 - b. Do participating customers pay interest on financed principal amounts?
 - i. If yes, at what rate or range or rates?
 - ii. If yes, how is the rate determined?
 - iii. What happens if the borrower defaults?
 - iv. Provide bad debt information, including a summary of delinquent balances and write offs.
 - c. Does Eversource's use of credit scores in its lending criteria result in better repayment performance compared to other utilities?
- 2) Reference Bates page 56 of the Plan re: Residential Energy Efficiency Loan Program.
 - a. List which programs and measures qualify for financing through the Residential Energy Efficiency Loan Program.

- b. The joint utilities state that “[t]he NHSaves Programs provide the lender an up-front interest payment to reduce the customer’s loan to two percent APR.”
 - i. Provide “baseline data” and the 2024–2026 Plan annual budgets for upfront interest payments.
 - ii. What is the average upfront interest payment?
 - iii. What is the maximum upfront interest payment?
- 3) Reference Bates page 56 of the Plan re: NHSaves Partnership Initiative.
 - a. Does the NHSaves Partnership Initiative have a dedicated budget?
 - i. If yes, please provide that budget as “baseline data” and as proposed in the Plan.

Subset 6 – Plan Chapter 5 re: Active Demand Reduction Programs

Request 6-1

Do the Active Demand Response Programs include any measure or component related to lighting?

Request 6-2

Please provide a ranking of measures within the Active Demand Response Programs by B/C ratio for all customer classes.

Request 6-3

Do the Active Demand Response Programs include any measure or component related to lighting?

Request 6-4

Reference Bates pages 81, table 5-4. Provide comparable “baseline data” from the pilot programs.

Subset 7 – Plan Chapter 6 re: Planning Elements

Request 7-1

Reference section 6.3 of the Plan re: Benefit-Cost Testing.

- 1) Please provide the documentation from the National Standards Practice Manual to support the assertion at Bates page 91 that the “... framework ... specifies the need for a low discount rate to accurately evaluate energy efficiency investments.”
- 2) What is the currently allowed Weighted Average Cost of Capital (WACC) for each of the rate regulated utilities participating in the Plan?
- 3) Have the joint utilities considered the application of different discount rates for different customer groups? For example, have income eligible discount rates been considered?
- 4) State all assumptions and the source of each assumption used in the B/C model.
- 5) State how the assumptions are consistent with the economic and market realities in New Hampshire.
- 6) State how the assumptions affect the sensitivity of the model's results.
Please confirm that Avoided Distribution Costs used in the B/C and ADR models for all utilities are based on 2017 figures and water costs are based on 2016 dollars.

- a. If so, please explain the rationale for using these figures.

Request 7-2

Please provide a tracked-change version of the Technical Resource Manual to show the changes between the current and previous manuals.

Request 7-3

Reference Bates page 93–94, tables 6-1 and 6-2 of the Plan. Provide comparable “baseline data” for each of the joint utilities.

Request 7-4

Provide combined data for each utility on the Performance Incentive (in \$’s) and the percentage of maximum achievable for 2017, 2018, 2019, 2020, 2021, 2022, as well as a total.

Request 7-5

Why are “adders” applied for weatherization measures? How are the value of such “adders” determined?

Request 7-6

Please confirm whether or not subsidies are adjusted to maximize the B/C ratios across residential and C&I offerings.

Request 7-7

What incremental branding activities will be undertaken pursuant to the 2024-2026 Plan that were undertaken between 2021 and 2023?

Request 7-8

Reference Bates page 85, Section 6.2. What is the budget for the workforce development and education of customers and contractors?

Subset 8 – Plan Chapter 7 re: Evaluation, Measurement & Verification

Request 8-1

Please provide a detailed list of applicable utility modeling and tracking system software that currently exists.

Request 8-2

Reference Bates page 99. What incremental improvements to utility modeling and tracking system software are expected through the 2024-2026 Strategic Evaluation Plan?

Request 8-3

How are the programs monitored for fraud? Has any fraud been reported in the past?

Subset 9 – General Questions

Request 9-1

Reference each of the joint utilities’ “...B/C Model 24-26....” Excel files:

- 1) For all programs listed in column A (for example Excel rows 12 through 45 for Eversource), separate the Benefits (Excel columns F and G) and Utility Costs (Excel

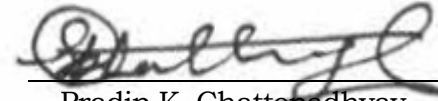
column J) into participating customers' and non-participating customers' benefits and utility costs, and provide the information in live Excel format. Please conduct this analysis for each of the joint utilities and for both Electric and Gas, as appropriate.

- 2) Please confirm that "Customer Costs" as reported in Excel column K are solely associated with participants.
- 3) Provide a narrative support (including assumptions) for the breakup analyses, as requested.

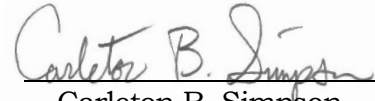
So ordered, this fourth day of August 2023.



Daniel C. Goldner
Chairman



Pradip K. Chattopadhyay
Commissioner



Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 23-068

Printed: 8/4/2023

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