

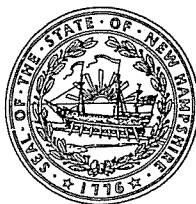
ORIGINAL
N.H.P.U.C. Case No. <u>DE 10-188</u>
Exhibit No. <u>#33</u>
Witness <u>G. Gelineau - T. Palm</u>
DO NOT REMOVE FROM FILE

The Way Home Exhibit # _____

DE 10-188
Core Energy Efficiency Programs
Home Performance With Energy Star Program

PHASE I

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION

8 Old Suncook Road
Concord, N.H. 03301-7319

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Douglas L. Patch

COMMISSIONERS
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Nancy Brockway

EXECUTIVE DIRECTOR
AND SECRETARY
Thomas B. Getz

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ORIGINAL
N.H.P.U.C. Case No. <u>DE 01-057</u>
Exhibit No. <u>1</u>
Witness <u>GETZ</u>
DO NOT REMOVE FROM FILE

October 4, 2001

Mr. Thomas B. Getz
Executive Director and Secretary
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301

Re: Docket No. DE 01-057
Electric Utility Core Energy Efficiency Programs

Dear Mr. Getz:

Enclosed for filing in the above-referenced docket is a comprehensive Settlement Agreement entered into by the five petitioning utilities, the Commission Staff and all intervenors that have actively participated in the case. The Settlement Agreement purports to resolve all outstanding issues now pending, although the subsequent utility-specific filings will require further proceedings. Please note that the Settlement Agreement contemplates that these utility-specific filings be considered as part of this docket.

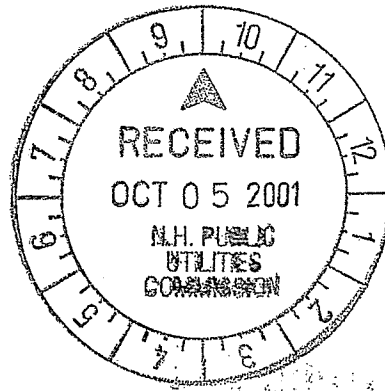
Subsequent to the signing of the Settlement Agreement, one of the parties brought to my attention a minor drafting error that will need to be corrected. The Parties and Staff anticipate making this correction, and any others that may come to light, at hearing on October 30. We contemplate that a panel of witnesses representing utilities, Staff and intervenors will testify at hearing to present the Settlement Agreement and answer any questions from the Commissioners. We recommend that the Commission release the two subsequent hearing days that have been reserved for this matter.

Although I have the ministerial honor of filing the Settlement Agreement, the credit for actually assembling it should go to Attorney Meredith Hatfield of the Governor's Office of Energy and Community Services. Staff thanks all of the parties for their diligent and fruitful efforts to bring this phase of the docket to a successful conclusion.

Sincerely,

Donald M. Kreis
Staff Attorney

Enclosure
cc: Service List



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State of New Hampshire
Before The
Public Utilities Commission

New Hampshire Electric Utilities)
Core Energy Efficiency Programs)
_____)

DE 01-057

Settlement Agreement

This Settlement Agreement by and between Connecticut Valley Electric Company, Concord Electric Company, Exeter & Hampton Electric Company, Granite State Electric Company, New Hampshire Electric Cooperative and Public Service Company of New Hampshire (the "Utilities"); the Office of the Consumer Advocate ("OCA"), the Conservation Law Foundation ("CLF"), the Environmental Responsibility Committee of the Episcopal Diocese of New Hampshire ("ERC"), the Governor's Office of Energy and Community Services ("ECS"), New Hampshire Legal Assistance on behalf of the Save Our Homes Organization ("SOHO"), New Hampshire Department of Environmental Services ("DES") and the Society for the Protection of New Hampshire Forests ("SPNHF") ("Intervenors"); and the Staff of the New Hampshire Public Utilities Commission ("Staff"), collectively ("the Parties and Staff"), entered this 3rd day of October, 2001, resolves all issues concerning the Core Energy Efficiency Programs ("Core Programs") raised in this phase of the above referenced proceeding. The Parties and Staff intend that this Settlement will result in the provision of the Core Programs to

New Hampshire customers sooner than would be the case absent this Settlement, so that, as described below, all New Hampshire customers are offered the same core energy efficiency programs and services throughout the state, and the Utilities work together to capture the efficiencies of statewide cooperation and coordination of programs. In addition, settlement of the proceeding will reduce administrative costs.

WHEREAS, in Order No. 23,574, the New Hampshire Public Utilities Commission (Commission) directed the Utilities to develop a set of core energy efficiency programs that would assure a baseline level of uniformity and consistency across the State of New Hampshire.

WHEREAS, the Utilities submitted the Core Programs to the Commission for approval on March 14, 2001.

WHEREAS, the Core Programs proposed by the Utilities for residential customers are: ENERGY STAR® Homes, ENERGY STAR® Appliances, Residential Lighting, Residential Retrofit, and Low Income Efficiency Services. The proposed Commercial and Industrial ("C&I") Core Programs are: Lost Opportunities/New Construction, Large C&I Retrofit and Small C&I Retrofit. A description of the Core Programs is included in the Utilities' March 14, 2001 filing attached hereto as Exhibit A.

WHEREAS, on May 3, 2001, the Commission held a prehearing conference in this proceeding at which the Commission considered the pending intervention petitions.¹ Following the prehearing conference, the Parties and Staff conducted a technical session to develop a proposed procedural schedule.

¹ CLF, ERC, ECS, DES, SOHO, and SPNHF filed intervention petitions. New Hampshire Ball Bearing, Inc. and EnergyNorth Natural Gas, Inc. d/b/a Keyspan Energy Delivery New England, requested limited intervenor status. The OCA filed a letter notifying the Commission of its intent to participate.

EXHIBIT A

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

**New Hampshire Electric Utilities'
Core Energy Efficiency Programs**

MARCH 15, 2001

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B. RESIDENTIAL RETROFIT PROGRAM

1) OVERVIEW

This program provides an enhanced emphasis on education and assisting customers who are unable to implement energy saving measures due to market barriers. The program will assist any high use customers who can benefit by taking steps to save electricity. The program also supports the transformation of specific product markets by providing rebates and information to customers. The utilities will encourage the installation of electric efficiency measures in existing multifamily and single family facilities where the customers use electric heat or have other high electric use.

Customers/members in the targeted market segment tend to have inefficient lighting fixtures, appliances, thermostats, air sealing, and inadequate insulation levels. These customers historically have had a reluctance or inability to fund energy improvements. This applies particularly to multifamily facility owners who feel that they do not directly benefit from efficient measures installed within the dwelling units of their tenants.

Undesirable Market Conditions and Responding Program Strategies for Residential Retrofit

UNDESIRABLE MARKET CONDITIONS	STRATEGY DETAILS	STRATEGY RATIONALE
High first cost of energy efficiency measures.	The utilities invest to replace inefficient equipment with customers contributing to the cost of that replacement.	Extensive program experience of home energy audit programs has shown that customers do not invest in efficiency based on education alone.
Lack of consumer awareness of efficient appliances, lighting, and building technology.	<p>Provide one-to-one education to encourage the replacement of inefficient equipment.</p> <p>Reinforce ENERGY STAR® labeling efforts by offering ENERGY STAR® products and materials.</p> <p>Efficiency experts from vendors and utilities test and approve new products.</p>	<p>Customers value educational information and need to understand new products in order to be happy with replacements.</p> <p>Some measures may not be valued by property owners but should be done to ensure comprehensive installations and program cost-effectiveness.</p> <p>New products can be field tested and evaluated to support introduction of more efficient products to market.</p>
No incentive for tenant to improve landlords' property/No incentive for landlord to invest if tenant pays utility bill.	The utilities invest to replace inefficient equipment. Landlords contribute to the cost of replacements.	The split incentive that is inherent when the utility bill payer is different from the property owner creates difficulties in capturing energy efficiency opportunities.
Inability to recognize efficient measures.	ENERGY STAR® labeling and vendor and utilities' specification of products and services.	Residential property owners need technical assistance and assurance that energy efficient products will not disturb comfort or convenience.

Eligible Population:

The program will serve customers/members with electric heat or high general electric use. There is wide variation among the New Hampshire electric utilities in the percentage of customers in their service territory that have already been served. In some areas, there may be a significant electric heat population that will be the focus of service delivery. In other areas, electric heat customers may have been served in previous years by the utility, so the program may concentrate on high general electric use customers. In some regions, most eligible high use customers may have received services, so the program will be available to unserved customers as needed.

2) PROGRAM DESIGN

Marketing Plans:

The utilities will identify eligible customers and provide that information to the vendors selected by the individual utility. The vendor will contact eligible customers using direct mail and telemarketing. In the event of program enhancements, previously served customers may be eligible for additional services. Program information will be available through customer service inquiries, utility websites, and at home shows.

Participant Rebates:

The Residential Retrofit Program will require customer co-payments. Electric efficiency measures in the program may include lighting fixtures, thermostats, heat pump upgrades, insulation, refrigerators, air sealing, compact fluorescent light bulbs, electric hot water measures, waterbed insulation, appliance timers, and Heating/Ventilation/Air Conditioning filters. Electric measures will be installed if sufficient electricity is saved to make the improvement cost effective. Recommended nonelectric measures may be installed at the customer's expense.

Exhibit C
Core Residential Program Design Components

A. The Utilities will:

- Develop and use common marketing materials and coordinate marketing efforts to residential customers, and work with homebuilders and realtors through coordinated efforts at the state level;
- Develop and use common applications;
- Utilize a common delivery process;
- Strive to meet the preliminary goals provided in Exhibits B and G, as modified by utility-specific filings;
- Offer these programs to low income customers in accordance with Exhibit D;
- Offer the following CORE energy efficiency programs to all residential customers/members, as described below in sections B-F:

B. Residential Retrofit¹

Utilities will offer home audits and rebates for measures and services to encourage the installation of energy efficiency measures in existing multi and single family homes in the State. In order to make the best use of limited funds, the utilities will initially offer services to electric heat customers, then to general high use customers. Additional residential customers may be deemed eligible if cost effective. "General high use" customers will initially be defined as those who use at least 30 kWh/day in baseload consumption during the shoulder months of May, June, September and October. The Utilities have noted that there are over 60,000 general high use customers in New Hampshire. Only about 250 of these high use customers have participated in general high use retrofit energy efficiency programs.

Program components include:

1. A uniform rebate schedule and common list of eligible efficiency measures.
2. Consistent reporting and data output.
3. Common RFPs.
4. Common implementation manual.
5. Training workshops for providers of residential retrofit and low income programs.
6. A HERS (Home Energy Rating System) home energy audit where cost effective and appropriate.

7. The Utilities will provide rebates as follows:

¹ The commitments made in this section do not apply to Connecticut Valley Electric Company (CVEC). CVEC is not proposing to fund a retrofit initiative for non-low income residential customers.

- 100 percent rebates for electric hot water measures, the first compact fluorescent light bulb installed at a household, two compact fluorescent light fixtures per household, waterbed insulation, electric Heating-Ventilation-Air Conditioning filters, appliance timers and one brush per refrigerator; and air sealing and one electronic thermostat per electrically heated household;
 - There will be a \$5 rebate for the second through sixth compact fluorescent bulb.
 - There will be 75 percent rebates for insulation and the second through fifth electronic thermostats per electrically heated household.
 - Refrigerator rebates in the retrofit program will be determined by the size of the refrigerator being replaced, ranging from \$200 to \$400 per refrigerator.
 - Each heat pump upgrade will be limited to a \$50 rebate.
 - Other measures must be screened as cost-effective.
 - There will be a limit on rebates for installed measures per account of \$2,500
8. The utilities will measure program success through increases in awareness of and demand for home energy ratings, the number of program participants and the existence of evaluated energy savings. Baseline data for measuring the success of this program will be defined by the existing, operable equipment in the customer's home that is identified for replacement by a more energy efficient alternative.
9. Given that market penetration varies significantly among the various service territories, the number of customers served and the extent of marketing efforts will be determined on a utility-specific basis.

C. ENERGY STAR® Homes

Utilities will offer a statewide new home construction and major renovation program to the customers/members of all New Hampshire electric utilities through the implementation of the nationally recognized ENERGY STAR Homes Program.

Program components include:

1. The ENERGY STAR Homes program will be fuel blind.
2. Utilities will offer builder/homebuyer rebates, including:
 - Appliances (\$100 each);
 - Lighting (balance of \$1000 after appliances);
 - Certification fees (\$500);
 - Builder incentive (\$500);
 - Duct testing and HVAC upgrades (\$500);
 - Maximum incentives - \$2500 single family, \$2200 per multi-family unit;
 - Rebates may be adjusted to ensure coordination with regional and national program efforts and to reflect changing New Hampshire market conditions.



Public Service
of New Hampshire

PSNH Energy Park
780 North Commercial Street, Manchester

Public Service Company of New Hampshi
P.O. Box 330
Manchester, NH 03105-0330
(603) 669-4000

The Northeast Utilities System

Phase II
Settlement

May 8, 2002

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
Eight Old Suncook Road, Building One
Concord, New Hampshire 03301-7319

Re: Joint Petition for Approval of Core Energy Efficiency Programs.
Docket No. DE 01-057

Dear Secretary Howland:

Enclosed please find an original and eight copies of a Settlement Agreement - Utility Specific Filing Phase in the above captioned matter. This Settlement Agreement is filed in accordance with N.H. Code Admin. Rule Puc § 203.09 in anticipation of a hearing on the merits scheduled for May 15, 2002.

Copies have been provided to the persons on the attached service list. These copies were double sided due to the length of the Settlement Agreement.

Very truly yours,

Gerald M. Eaton
Senior Counsel

GME:ibf

Enclosures

cc: Service List

11

State of New Hampshire
Before The
Public Utilities Commission

New Hampshire Electric Utilities)
Core Energy Efficiency Programs)
_____)

DE 01-057

Settlement Agreement Utility-Specific Filings Phase

MAY 8, 2002

This Settlement Agreement by and between Connecticut Valley Electric Company ("CVEC"), Concord Electric Company and Exeter & Hampton Electric Company (collectively, "Unitil"), Granite State Electric Company ("GSE"), New Hampshire Electric Cooperative ("NHEC") and Public Service Company of New Hampshire ("PSNH") (collectively, the "Utilities"); the Office of the Consumer Advocate ("OCA"), the Environmental Responsibility Committee of the Episcopal Diocese of New Hampshire ("ERC"), the Governor's Office of Energy and Community Services ("ECS"), New Hampshire Legal Assistance on behalf of the Save Our Homes Organization ("SOHO"), and New Hampshire Department of Environmental Services ("DES") ("Intervenors"); and the Staff of the New Hampshire Public Utilities Commission ("Staff"), collectively ("the Parties and Staff"), entered this 8th day of May 2002, resolves all issues concerning the utility-specific filings and the operation of the Core Energy

List Of Attachments

Attachment 1	Budgets and Goals
Attachment 2	Program Tracking Activities
Attachment 2A	PSNH Budget
Attachment 2B	GSECo Budget
Attachment 2C	NHEC Budget
Attachment 2D	UNITIL Budget
Attachment 2E	CVEC Budget
Attachment 3	Marketing Plan
Attachment 4A	Monitoring & Evaluation Plan Template
Attachment 4B	EnergyStar® Energy Star Homes Monitoring & Evaluation Plan
Attachment 4C	Residential Lighting Monitoring & Evaluation Plan
Attachment 4D	New Construction/Major Renovation Monitoring & Evaluation Plan
Attachment 4E	Monitoring & Evaluation Plans Timeline
Attachment 5	Remaining Tasks Timeline (TECH-005)
Attachment 6	Modifications to Core Programs
Attachment 6A	PSNH Utility-Specific Modifications
Attachment 6B	GSE Utility-Specific Modifications
Attachment 6C	NHEC Utility-Specific Modifications
Attachment 6D	CVEC Utility Specific Modifications
Attachment 7	Concord Electric Company Revised Tariff Pages
Attachment 8	Exeter & Hampton Electric Company Revised Tariff Pages
Attachment 9	CORE/Wxn Collaboration Implementation Plan

**NEW HAMPSHIRE ELECTRIC UTILITIES'
CORE ENERGY EFFICIENCY PROGRAMS**

Marketing Plan

April 26, 2002

II. RESIDENTIAL RETROFIT PROGRAM

A. Situation Analysis

1. Overall Goals/Objectives
 - a. Lower electric bills for electric heat and high use customers
 - b. Increase comfort, energy efficiency, and health and safety in targeted homes
 - c. Serve 1,659 homes through December 31, 2003
2. Current Market Conditions
 - a. 63,700 customers have been identified as high use electric customers
 - b. 22,000 electric heat customers have been identified
 - c. Many of these customers currently have inefficient insulation, air sealing, lighting, and appliances.
3. Undesirable Market Conditions – see following chart

15

B. Target Market/Strategy/Tactics

1. Target Market

The program will serve customers/members with electric heat or high general electric use. There is wide variation among the New Hampshire electric utilities in the percentage of customers in their service territory that have already been served. In some areas, there may be a significant electric heat population that will be the focus of service delivery. In other areas, electric heat customers may have been served in previous years by the utility, so the program may concentrate on high general electric use customers. In some regions, most eligible high use customers may have received services, so the program will be available to unserved customers as needed.

2. Strategy

Utilities will each market the program directly to their customers using the program brochure or direct contact. The leads generated by these efforts will be provided to selected vendors. In the event of program enhancements, previously served customers may be eligible for additional services. Program information will also be available through customer service inquiries, the NH Energy Efficiency Toll Free number, utility websites, and at home shows.

3. Tactics

- a. As explained above, the primary tactics will include direct mail of program brochure to eligible customers and direct referrals from Customer Service and statewide marketing inquires. Utilities will look for opportunities to cross market this program in conjunction with related utility programs. Utilities may also increase marketing of the program by other methods such as offering incentives to Customer Service representatives to market the program, or doing outreach to home improvement retailers and housing industry professions.