

Residential Ratepayers' Advisory Board  
February 1, 2010

Present:

Lawrence Kelly, Chair  
Otis Perry, Vice Chair  
Claira Monier  
Louis Paré  
Dwayne Wrightsman  
Ken Mailloux  
Tom Moses  
Debbie de Moulpied

Present for the OCA:

Meredith A. Hatfield  
Kenneth E. Traum  
Stephen R. Eckberg  
Rorie E.P. Hollenberg  
Christina Martin

Mr. Kelly declared a quorum present and opened the meeting of the Residential Ratepayers' Advisory Board at 2:02 pm.

1. MINUTES OF DECEMBER 7, 2009 MEETING

Mr. Kelly asked the Board members if there were any changes proposed for the minutes of the December 7, 2009 meeting. Mr. Wrightsman moved to approve the minutes as drafted. Ms. Monier seconded the motion. The Board unanimously approved the minutes as drafted.

2. UPDATE ON ARRA FUNDING FOR ENERGY PROJECTS

Ms. Hatfield welcomed Eric Stelzer of the Office of Energy and Planning (OEP) for an update on ARRA funding of energy projects in New Hampshire. Mr. Stelzer spoke about four projects in New Hampshire which have received ARRA funding: the Federal Low-Income Weatherization Program; the Energy Efficiency and Conservation Block Grant Program (EECBG); the State Energy Program (SEP); and the State Energy Efficient Appliance Rebate Program (SEEARP). Mr. Stelzer provided a handout which described the first three of these programs, including the amount of additional funding made available through ARRA.

With regard to the weatherization program, Mr. Stelzer provided the following additional information (in addition to information provided in the handout):

- The program began in the 1970s and New Hampshire's maximum budget before ARRA was \$3 million. Mr. Kelly added that New Hampshire never actually received the maximum.

- The total budget, including the ARRA funds, will allow approximately 3,000 homes in New Hampshire to receive weatherization services.
- 20% of the total budget may be used for training contractors who perform weatherization services.
- The key focus of efforts at this time is ramping up the work force that can provide weatherization services over a sustained period of time.

With regard to the SEEARP, Mr. Stelzer provided the following information:

- The program was originally enacted in 2005 but not funded until ARRA.
- ARRA provided \$300 million nationally for this program.
- New Hampshire received \$1.262 million of this amount.
- The focus of this program is residential customers.
- The funding will be used for two programs – 1) Rebates on solar-thermal hot water systems and 2) Rebates on fossil fuel home heating systems.
- The PUC's Sustainable Energy Division will administer the solar-thermal hot water system rebate program, with a budget of approximately \$500,000.
- The electric and gas utilities will administer the fossil fuel home heating system rebate program, with a budget of approximately \$700,000. The utilities already administer a rebate program for energy efficient appliances (e.g., washers, dryers).
- The rebates are in addition to other savings programs and tax credits.
- The rebate programs are expected to begin by April 22, 2010 which is the US Department of Energy's deadline, and the rebates are not retroactive.
- The home heating system rebate is available to all customers for retrofits, regardless of income, but only to primary households and only for replacement of a heating system. Ms. Hatfield noted that, for new construction, the Energy Star Homes program is available through the utility-administered programs.
- The home heating system rebate is a tiered program, allowing for larger rebates for greater energy savings.
- The home heating system rebate is also available to customers of municipal utilities.
- Information about these rebate programs is available on OEP's website: [www.nh.gov/oep/recovery](http://www.nh.gov/oep/recovery).

During this part of Mr. Stelzer's presentation, Ms. Monier noted the potential impact of energy efficiency upgrades on utilities' revenues. A member of the public, Heidi Kroll asked Mr. Stelzer about where a customer who is converting their heating system from oil to natural gas should go first to inquire about the home heating system rebate program. Mr. Stelzer recommended that the customer go to the gas utility serving the customer's community first.

With regard to the SEP, Mr. Stelzer provided the following additional information (in addition to information provided in the handout):

- Out of the 16 programs, three will serve residential customers.

- \$2 million of the budget will go to a fuel-blind, income-blind weatherization program. OEP is currently working on determining which entity will administer this program.
- \$500,000 of the budget will go to a rebate program for central-fired wood pellet furnace systems. OEP wants to encourage more demand for this type of renewable fuel so that suppliers are able to develop ways to deliver in bulk.
- \$1.5 million of the budget will go toward grants for first-time homebuyers. Ms. Monier encouraged OEP to collaborate with existing programs for first-time homebuyers such as the one administered by the New Hampshire Housing and Finance Authority.
- New Hampshire has received national recognition for using some of its ARRA money allocated to this program to assist building code enforcement on a local level, through education of code inspectors.

During this part of Mr. Stelzer's presentation, the Board discussed blower-door testing and its use as a diagnostic tool to measure the improvements of energy efficiency measures on the amount of air leakage from a building. The Board also discussed how to best communicate to the public about all of the various energy efficiency programs that are now available. Ms. Hatfield noted that this is among the issues currently under discussion by the Energy Efficiency and Sustainable Energy Board (EESB Board). Ms. Hatfield also noted that some of the \$600,000 designated by utilities in their CORE budgets for marketing could be used to educate the public about energy efficiency opportunities. Mr. Stelzer mentioned that the New Hampshire Carbon Challenge is currently developing a website that will assist consumers with identifying all programs which suit their particular needs and circumstances. For example, if a consumer is looking to replace windows, the Carbon Challenge's website will provide information about all financial incentives available that are related to replacement windows. Mr. Stelzer also noted that OEP has funded programs at New Hampshire's community technical colleges to provide training about energy efficiency standards. Ms. Monier expressed concern about the fact that the recipients of the latest round of RGGI grants were not focused on residential customers. She asked the OCA to be mindful that the amount of residential ratepayer money going into funds for energy efficiency be what comes out in the form of benefits to residential customers. Ms. Hatfield stated that the OCA is watching the distribution of the funds and noted that the CORE programs track these percentages. However, Ms. Hatfield noted, that the RGGI money is granted after a Request for Proposals is issued and people apply to receive the money. Unfortunately, there was not a successful proposal to provide direct energy efficiency services residential customers.

With regard to the EECBG program for municipalities, Mr. Stelzer provided the following additional information (in addition to information provided in the handout):

- The program was created in 2007 but not funded until ARRA.
- \$1.2 billion allocated nationally.
- \$18 million allocated to New Hampshire.

- Approximately \$9.5 million administered with OEP oversight; of this amount, approximately \$6.5 million will be distributed to municipalities following a February application deadline, and approximately \$2.5 million will go toward “technical assistance” (e.g., inventorying of buildings, hiring auditors).
- There is a \$400,000 cap per municipality.
- An RFP was conducted, and an administrator has been selected by OEP. The selection will go before Governor and Council next.
- School Districts can apply for grants through municipalities.
- The EECBG is not available for energy efficient improvements to State buildings; there is another program, with \$25 million, available for this purpose.

Mr. Stelzer mentioned during this part of his presentation that a list-serve is available through OEP, through which anyone interested in staying informed about the ARRA funded programs could sign up and receive emails when new developments occur. To get on the list-serve, go to OEP’s website and click on “Stay Informed.”  
[http://www.nh.gov/oepr/recovery/index.htm#stay\\_informed](http://www.nh.gov/oepr/recovery/index.htm#stay_informed)

### 3. CASE ACTIVITY UPDATE

Ms. Hatfield touched upon several cases in the Case Activity Update.

#### *Electric Cases*

#3, on page 1, Electric Assistance Program (EAP) Advisory Board – Ms. Hatfield reported about the recent action taken by the Legislature, SB 300, to shift approximately \$3 million from the CORE Energy Efficiency Programs to the EAP, to serve the approximately 8,000 individuals then on the EAP waiting list. Unfortunately there is already a new waiting list.

#11, on page 5, DE 09-170 CORE 2010 Electric Energy Efficiency Programs – Ms. Hatfield reported that the focus of the parties in this docket is now allocating the budget cuts required by SB 300. Ms. Hatfield stated that the OCA will look to see if there is any money left over from last year’s CORE program and will encourage the utilities to look for ways to streamline its costs, including cutting marketing and outreach, capping the utility incentive, and other measures to reduce overhead for the Core programs.

#14, 15, and 16, pages 7-8, Green Default Service dockets – Ms. Hatfield noted these dockets and the fact that soon most electric customers in New Hampshire will have the opportunity to choose “green” electric energy for an additional monthly fee.

#18, page 9, UES Ice Storm Investigation – Ms. Hatfield mentioned this docket, and that issues will include Unitil’s allocation of resources during the 2008 Ice Storm between Massachusetts and New Hampshire; and Unitil’s access to help from other utilities. Mr. Kelly expects that, at the very least, the experiences of the 2008 Ice Storm will improve utilities’ communication with customers during emergencies. Mr. Perry asked if the PUC considered the impact of FairPoint’s action or inaction in

reaching its conclusion about the response to the Ice Storm, as FairPoint is also responsible for poles and wires. Mr. Traum noted that the focus of this docket is Unitil, but Ms. Hollenberg mentioned that it is possible that Unitil could raise FairPoint's actions in defense of claims against Unitil.

#6, page 3, PSNH Distribution Rate Case – Mr. Traum mentioned that this rate case is ongoing, with final hearings in April.

#### *Telecom Cases*

#1, page 9, FairPoint Communications – Ms. Hatfield reported that she expects FairPoint's bankruptcy restructuring plan to be filed any day. Mr. Perry asked about the impact of the bankruptcy on rates. Ms. Hatfield stated that the PUC retains jurisdiction over rates and noted that, in the settlement agreement resulting in the transfer from Verizon to FairPoint, FairPoint agreed to a five-year rate freeze. However, it is possible that a restructuring plan could include a proposal to increase rates due to the company's bankruptcy. Mr. Pare asked whether the OCA is in contact with its counterparts in Maine and Vermont. Ms. Hatfield explained the different structures of the Commissions/Board in the three states, and that the NH OCA is most analogous in structure to the Maine OPA. Ms. Hatfield stated that, as a result of the differences in structure, the OCA tends to have more contact with the OPA.

#4, page 11, Investigation of the Regulatory Status of VOIP – Mr. Perry asked about the status of this case and about the OCA's involvement. Ms. Hollenberg reported that the parties have filed briefs and reply briefs, and the Commission will make a decision on the basis of the record and without a hearing. Ms. Hollenberg stated that the OCA has been monitoring the case and filed a letter with the PUC concerning a recent statement by the FCC about jurisdiction over stationary VoIP providers. Ms. Hollenberg also mentioned that there is a similar case pending in Maine. The Board discussed the involvement of municipalities in the franchising of cable providers, and the regulation of prices only at the federal level.

#### *Water Cases*

#2 and 4, pages 11 and 13, Lakes Region Water Company – Ms. Hatfield mentioned the new rate case filed by LRWC.

#### *Natural Gas*

#1, page 14, EnergyNorth Natural Gas d/b/a National Grid Rate Case – Ms. Hatfield reported that although this rate case has just recently concluded, the Company has just filed a notice of intent to file another rate case within the next 30 days.

#### 4. REVIEW OF 2010 ENERGY LEGISLATION

Ms. Hatfield mentioned the following pending bills.

HB 1353 –would allow group net metering.

HB 1471 –would require the newly created Board of Home Inspectors to increase education by home inspectors of new home buyers on energy efficiency issues.

HB 1554 –would create a mechanism for financing efficiency or renewable projects through municipalities.

HB 1626 –this would create a new licensing structure for energy auditors.

SB 397- would enable the OCA to access additional funds, up to \$150,000 per case, to hire experts. The PUC already has this authority without restriction.

SB 424 –codifies practice at the PUC that requires copies of all confidential filings made with the Commission to be provided to the OCA.

SB 425 –would repeal a special exemption to the Right to Know law (RSA 91-A) available only to telecommunications utilities. If this exception is repealed, telecommunications utilities would use the process currently available to all other utilities under 91-A to protect their confidential information. Ms. Hatfield mentioned at this point the hearing scheduled for tomorrow at the PUC on a Right to Know request filed by the Union Leader, for access to a confidential document filed at the Commission by FairPoint.

SB 449 –would slightly lower the threshold for designating the role of PUC staff (as advocates of a position or as advisors to the Commissioners) in adjudicative proceedings.

**Action Item – Send the Board information on SB 397 as amended, so that Board members can be in touch with legislators.**

5. MEETING ADJOURNED

Mr. Perry moved to adjourn the meeting at 3:50 pm. Ms. Monier seconded the motion. The Board unanimously voted to adjourn the meeting.