



Via electronic mail - March 23, 2012

**Comments of Northeast Energy Efficiency Partnerships (NEEP)
on the Practices of the Public Utilities Commission**

Debra A. Howland, Executive Director and Secretary
New Hampshire Public Utilities Commission
21 South Fruit Street, Concord NH 03301

Dear Ms. Howland,

On behalf of Northeast Energy Efficiency Partnerships (NEEP),¹ please accept these comments in response to the Public Utility Commission's (PUC) request for public input on its practices. While NEEP is not able to participate as a formal intervenor in Commission dockets, we do follow the Core energy efficiency program review process, attend Energy Efficiency and Sustainable Energy Board (EESB) meetings and communicate with various state agencies, program administrators and efficiency advocates in New Hampshire.

Furthermore, NEEP tracks and engages with energy efficiency policymaking processes across the Northeast and Mid-Atlantic states. We believe this gives us a broad and unique perspective of best practices that can lead to better outcomes for states pursuing efficiency as part of a forward-looking energy strategy.

After seeking input from partners in the state and reviewing what makes efficiency program regulation work well in other states, we offer the following suggestions for improvements to the Commission Practices:

- Seek ways to speed up the processing of cases before the Commission. This could help all parties involved, reducing frustration and wasted time. We encourage better use of non-adjudicated processes especially before filings are made, when Commissioners may no longer participate in discussion and settlement of issues.

As noted in the VEIC Independent Study of Energy Policy Issues², developing and reviewing programs plans and goals in a non-adjudicated, collaborative process could be a major step forward in minimizing regulatory complexity, improving trust and understanding among all participants, and ultimately coming out with better outcomes for utility customers and state energy and climate goals.

¹ These comments are offered by NEEP staff and do not necessarily represent the view of NEEP's Board of Directors, sponsors or underwriters.

² On the PUC's website: <http://www.puc.state.nh.us/EESE.htm>



We reference prior NEEP comments as well, where we suggest a stronger role for the EESE board, and the guidance of paid technical advisors to assist the state in the Core program review and approval process.³ Along those lines, we strongly encourage New Hampshire to look at the stakeholder advisory board models in place in Connecticut, Massachusetts and Rhode Island.⁴

- We encourage stronger articulation of policy directives at the Commission level. It is our understanding that many key issues are relegated to the staff level, without sufficient guidance and wisdom from the Commissioners. One example is the slow progress implementing Time of Use rates, except for Unitil's voluntary efforts on their Time of Use pilot.
- The PUC has indicated policy support for decoupling but yet no utility in the state has yet implemented decoupling. NEEP's view is that decoupling of utility profits from volumetric sales is a key step to aligning utility interests with broader public policy goals.⁵ We hope the Commission will give priority to this issue.
- We have heard that there is a perceived difficulty getting innovation and change in the energy efficiency programs. We believe that staff needs guidance and support from Commissioners on such matters.
- Leadership on the issue of fuel-blind programs is one important example where the state needs to make progress to better serve customers. It is troubling to see Commission staff opposing efficiency programs, and it is unclear if the reasons are philosophical or structural. New Hampshire could turn to neighbors for ideas on how they are working to extend efficiency programs to all customers as well as how they are counting "non-electric benefits" that allow some funds to go towards whole-house efficiency upgrades. Home Performance with ENERGY STAR® is a valuable program and we support efforts to make it as comprehensive as possible.
- We believe the Commission should set policy directives that strongly promote energy efficiency and clean energy because of the lasting and multiple benefits to the state. This is in line with the findings of the recent VEIC report as well as best practices across the region that value efficiency as a cost-effective means to help meet

³ <http://neep.org/uploads/policy/NEEP%20Comments%20-%20VEIC%20draft%20report%20NH%20323.pdf>

⁴ Links to stakeholder efficiency boards, CT: <http://www.ctenergyinfo.com/eeb/>, RI: <http://www.riermc.ri.gov/>, and MA: <http://www.ma-eeac.org/>

⁵ See a recent comparative paper on Decoupling in the region: <http://neep.org/uploads/policy/Revenue%20Decoupling%20Brief-Final%20Version%201.30.12.pdf>



customer demand while contributing to complementary goals such as increased energy independence, cleaner air and improved public health, growing the local clean energy economy and reducing customer costs by making efficiency a first-order resource.

With the significant body of research and recommendations from the VEIC report and the newly constituted Public Utilities Commission, we believe New Hampshire is at a time of significant opportunities to build upon the long track record of delivering energy efficiency programs and services to the state's residents and businesses, and to take things to the next level. Efficiency is the cheapest, cleanest way to meet energy needs. As has been articulated in the state's climate plan, it is wise to try and align various interests with broader policy goals to harness the power of all cost-effective energy efficiency.

NEEP stands ready as a resource to the Commission, the EESE board and the Office of Energy Planning to share guidance and best practices from around the region. I regret that I am unable to attend the March 23 public input session in person, and thank you for distributing my comments. Please do not hesitate to contact me or others at NEEP with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Natalie Hildt".

Natalie Hildt of Public Policy
Northeast Energy Efficiency Partnerships (NEEP)