

**SB191 Advisory Council Meeting
November 5, 2013, 1:30pm LOB304
Meeting Notes**

Council Members in Attendance:

- OEP Director Meredith Hatfield
- PUC Chairwoman Amy Ignatius
- DES Commissioner Tom Burack
- Sen. Martha Fuller Clark
- Rep. Beatriz Pastor
- Rep. Charles Townsend
- Rep. Herb Vadney

Other legislators and agency staff in attendance:

Rep. David Borden

Rep. Ian Raymond

Brandy Chambers, OEP

Karen Rantamaki, DAS

Mike Fitzgerald, DES

Director Hatfield opened the meeting by providing an update on the process for hiring a consultant. She thanked the members of the consultant selection team for their assistance. The team has chosen a winning bidder and will propose a contract for Governor and Executive Council (G&C) consideration in early December. The information will be public once it goes to G&C.

State Energy Manager Karen Rantamaki gave a presentation on the State Energy Manager's office at DAS, and its duties and functions [see [slides](#) for details]. She then answered questions and discussed various topics with the Council.

Ms. Rantamaki described the high-performance design standard for state buildings, and explained that it requires that all new construction and major renovations to meet high efficiency standards that are based on existing American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) standards. The state put these standards in place so that we “do it right the first time,” meaning that cost effective efficiency gains are not missed during the first project in a building. She said that there is a minimum size project for the requirement to apply.

Ms. Rantamaki explained that the performance contracts used by the state to leverage energy cost savings to finance projects allows both efficiency and renewable energy projects to be done in state buildings. The soon to be announced Hazen Drive contract will include both because the Request for Proposals (RFP) was structured to identify maximum fossil fuel reductions so that efficiency and fuel switching are both allowed. Although some renewable sources might have a longer payback, by including them with efficiency savings the project as a whole meets the 20 year payback allowed under the state statute.

Ms. Rantamaki also explained that the state energy usage database is very useful as it has helped agencies find errors that have included paying for buildings the state doesn't own, and double-paying for bills on some buildings. Agencies have access to their energy information, and the

state can generate reports based on the data. DAS prepares an annual report on all state energy manager activities, savings, usage, etc. that is public and provided to legislators. Ms. Chambers added that the state could do more in terms of publicizing our success, and leading by example.

The Council inquired about agency compliance with the requirement for agency conservation plans. Ms. Rantamaki stated that most agencies participate, and there are differences in terms of how readily they move toward efficiency. One of the major factors is in-house expertise; many agencies do not know how to put these plans together. Some are excited to learn, and DAS is making progress with everyone. DAS received plans from every agency except one last year, including agencies who do not own property (they rent offices). It's important to engage those agencies, because their behavior in rented properties greatly impacts the efficiency of its operations. The DAS State Energy Manager's office has only two staff people, and they reach out to other agencies when resources allow. A critical part of success is having points of contact within each agency, who really help us move efficiency efforts along, but for most it's an add-on to their full time job responsibilities, so finding time for it can be very difficult.

Ms. Rantamaki discussed how the state issues RFPs for energy, including electricity, energy efficiency, and delivered fuels. RFPs are publicized in various ways, through the state's purchasing website and through lists of registered competitive suppliers on the PUC website.

The Council inquired about the 25x25 EE goal is, and Ms. Rantamaki stated that she does not have the exact number yet, but the State is around 18%. One challenge is that we don't adjust for weather when doing the annual calculations, which can impact the numbers. 2012 was a warm winter, which skewed things a little. It is important to look at the overall trend.

The Council discussed that the benchmark is 2005 usage, and asked whether the State also looks at a usage per square footage basis between buildings. Ms. Rantamaki stated that the tracking is done on a square foot basis; so our total usage has gone up, but intensity of use has decreased. DAS runs reports to try to identify critical buildings to target for efficiency (e.g. those with 24 hour operation such as hospitals), but it would be great to have more time to do that on a regular basis for agencies, to help them see their critical buildings and better manage their energy costs.

The Council asked about outreach, including whether DAS had considered partnering with other entities that might also be doing databases. Ms. Rantamaki said that they have not focused on outreach, it's something that DAS and perhaps the Interagency Energy Efficiency Committee could do better. She is an engineer by training and focused on the technical work, and it would be great to have an outreach expert on staff.

The Council asked about the annual state energy conference a little more and suggested that members of the Council be invited to it next year. Ms. Rantamaki agreed, and said that it will be on May 9, 2014 at the Fire Academy Training Center. DAS always invites the STE & ENR committees, and will make sure to do that again. There are great speakers every year including agency people who have done very successful projects, and it includes workshops for agencies.

The Council discussed barriers to performance contracts within state law, and ways to make it easier for the state to do these contracts. Ms. Rantamaki said that the state is still early in the process and learning. The 20 year payback (increase from previous 10) has been extremely

helpful, allowing us to get deeper into buildings. One barrier is the administrative process. DAS follows the state's bidding procedures, so there very specific rules for RFPs.

Last year state agency conservation plans identified \$40 million worth of projects. Ms. Rantamaki stated that those projects either compete for the \$500,000 that her office gets annually, or some may be candidates for [performance contracting](#), but that doesn't work for all projects; the state definitely need another funding source. The \$500,000 comes out of the capital budget, which is bonded, and projects can't exceed that amount. That amount is set in each biennial budget by the Legislature. This year DAS requested \$2M, and like many agencies saw the request reduced.

The Council discussed whether the state participates in the [CORE programs](#). The state pays into the system benefits charge (SBC), but is it also accessing those programs? Ms. Rantamaki said that her office has more recently made an effort to do a better job of applying for those rebates. There are also issues with tracking rebates, and the fact that they go into the general fund and not back to energy projects. There is also an issue with trying to use the utility programs because the utility contractors may not be approved by the state, so that for example DAS hasn't figured out how to utilize the SmartStart program yet.

Ms. Rantamaki will provide the annual energy plan as well as a presentation done by the Veteran's Home at last year's annual conference (as an example of an efficiency success story), to be posted on OEP website.

Ms. Hatfield then presented a draft timeline and noted that one of the critical things the council needs to decide is what goals to develop through the strategy, what course to set over the next 10 years, and how best to involve the public.

Ms. Hatfield also distributed a document labeled Selected Energy Policies; this is not a comprehensive list, but some of the core policies that address our energy goals. She suggested that the Council think about progress toward meeting the goals they state, where we might want to change direction, etc. She reminded the Council that it previously discussed the need to make sure that the public has access to this process, and how to get robust stakeholder input and participation. There seems to be consensus that we engage the public early so as to inform the draft strategy, and then go back out to the public after the draft is available.

The Council members discussed these issues, and generally agreed that going to the public before and after the draft makes sense; we had this discussion before about what the statute required exactly, and how best to get structured input from the public. Obviously a limiting factor is people's time, but the council is fairly large, so that members could each cover a meeting or two around the state.

Commission Burack suggested that we consider an approach like the [NHListens model](#), which is not the standard NH method of outreach but which could be more valuable than the 'town hall' style where everyone takes their turn saying their piece. The NHListens provides specific questions and gets more structured and constructive feedback. The Council agreed that it is very important to get robust public input, and to engage the larger populace who don't know what questions to ask or where to go to get information. The Council agreed to look at the NHListens model to see if it can inform the design of the feedback for this process.

Sen. Fuller Clark suggested that the Council look at how NH compares to the rest of New England, so that we can learn from other state. Chairman Ignatius agreed and pointed out that [NEEP submitted a report](#) comparing states on key EE metrics; NH doesn't come out with high marks on many of the metrics (e.g. amount spent per capita-- even compared to states of a similar size we aren't spending much), but on others we are ahead of the curve (e.g. cost-effectiveness). Sen. Fuller Clark point out that it would be useful to get similar information on transportation, and efforts on EV chargers. Chairman Ignatius pointed out that it will be important to determine metrics to use; it is hard to measure things that are very subjective. Economic benefits were also discussed, as there is a strong nexus between energy and the economy.

Rep. Vadney suggested that we have to re-state regularly that it's unlikely that this legislature will come up with a lot more money to do things, nor do we have the power to make people do things, so it's incumbent on us to find a way to incentivize people to do it on their own. That has to always be in our mind.

Ms. Hatfield said that Laura Richardson of the Jordan Institute recently said a similar thing, that it is important to make this investment attractive to private sector investors-- how do we make it easier for a project to get done? If we can figure this out on the state side, find a way for those \$40 million of projects to pay for themselves (whether it's using a performance contract or a [revolving loan fund](#) or some other creative mechanism), it would be a huge success for the state and could be transferred to the private market.

Ms. Hatfield then opened the meeting for public comments from the audience; there were none. She noted that everyone is always welcome to submit comments to OEP or the Council via email. OEP's webpage on the project is at <http://www.nh.gov/oep/energy/programs/SB191.htm>.

The next meeting will be held on December 17th at 1:30 pm.

3:00 – meeting adjourned.