

Hi Meredith,

I'll spare you the six pages of notes I took on the Navigant proposal (other than what I'm fairly certain is a scaling error in Fig. 2-5 on CO2 emissions) and try to keep it brief and high-level. I have four areas of concern:

- a) Energy Security
- b) Cost of Electricity/Energy
- c) Push for Efficiency
- d) The Vision

I'd be remiss if I didn't open by saying my primary concern is energy security. The Senate Bill highlights availability of energy early on. Energy availability, imho, includes security issues. As you can see in the news item from Israel below, terrorists took out the entire grid in Yemen (of course, you probably won't hear about it much over here):

<http://www.israelnationalnews.com/Articles/Article.aspx/15212#.U6wcjpRdW7y>

a) We will have massive civil unrest if people lose access to electricity, home heating fuel, and gasoline. You are too young to remember, but I waited in gas lines in New York back in '73/'74 when people kept guns in the event someone tried to 'cut' the line - there were shots fired. On electricity, we are tied to ISO-NE. If the grid is taken down outside the state, can you ensure that the people of NH will still have electricity to their homes? Adequate storage of gasoline and heating fuel stock is not something on which I have data. I did read somewhere at some point that DES had closed gasoline storage in Newington on some environmental regulation, and the storage was moved to Boston - not necessarily helpful in a crisis. As head of the Office for Energy Planning, you are responsible for ensuring the energy supply to NH consumers and businesses in all three areas in the event of an emergency. Our winters are brutal (in spite of global warming ;-)) - Europe was held hostage on Crimea this Spring because of their dependence on Russian gas. Some coordination with the National Guard or other emergency services, given the current world climate, should be at the front of your agenda. You mentioned emergency services; I don't know enough about their preparedness from an energy perspective.

b) I find it surprising that you can rationalize raising the gasoline tax while providing bus subsidies (the whole 'transportation' section on AFVs, disincentives for VMT growth (Fig. 5-1/p.40 - 'pricing programs' to reduce VMT). The bottom line is, you've hurt people on the margin that need the most help. You are driving up the cost of delivery of basic goods, which will also be passed along to the consumer. Electricity, however, is my primary concern. As you know, in New Hampshire, our electricity production has declined from 25 GWh to 18 GWh over the past 10 years. As it is, we only use 10 GWh. At the same time, our rates are **38% higher** than the national average. Why? ISO-NE will raise what it pays to ensure supply in '17 as a result of the Brayton Pt. closure (to the benefit of Energy Capital Partners and all coal-hating environmentalists). In the past 10 years the increased price of electricity has had a real impact on consumers, not to mention a major preventative to manufacturing companies and jobs relocating to NH. The PUC

may have a seat at ISO-NE, but surely you can see the same manipulation of prices that took place in CA is setting up here in New England. Why can't the 'Vision' include efforts to actually REDUCE the cost of energy to consumers? Why can't we have cheaper electricity given supply exceeds demand?

c) On efficiency, I am concerned that the entire Navigant proposal was designed to assist in effecting the GDS proposal to spend \$940 million over 5 years with the expectation of saving \$200 million per year. Fig. 2-13 makes it clear that NH per capita energy consumption has gone from 190 MBtu in '04 to 160 MBtu in '14 with a projection of 140 MBtu in '28. We have taken 40% of the CO2 emissions out of our energy production (which btw amounts to 2/100's of 1% of what China will be putting out this year - yes, 1 part in 5,000). We are more efficient now, and rank in the top 20% in the US on efficiency (US EIA - NH 9th lowest in per capita energy use). The movement here against coal is meaningless without major policy changes in China and India. We have become more efficient, and yes, we can always be more efficient, but to make it the centerpiece of your energy plan, imho, is a mistake. I have to let you know that, if I were fortunate enough to be elected Senator, I would be giving very close scrutiny to the projected \$200 million in proposed savings, as the State is hardly in a position (even with the suggested funding alternatives) to justify \$940 million in spending.

d) As for the Vision, I find it highly biased and lacking in concern for items a) and b) above. There is more to NH's energy needs than making us more efficient.

Best-
Steve Kenda