

New Hampshire Division of Economic Development

Energy Conservation Efforts



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Introduction

The purpose of this white paper is to explore how the Division of Economic Development (DED) can continue to serve New Hampshire businesses, and assist with the implementation of the *New Hampshire Independent Study of Energy Policy Issues* released in 2011. The findings in this white paper include specific actions identified in the *New Hampshire Independent Study of Energy Policy Issues* that relate to DED, and research completed by the Vermont Energy Investment Corporation (VEIC) into what Economic Development Agencies (EDA) are doing in other states to address energy issues.

New Hampshire Division of Economic Development

The Division of Economic Development (DED) is part of the Department of Resources and Economic Development (DRED) and includes the NH Business Resource Center (BRC) and the International Trade Resource Center. The DED serves as a point of contact for businesses as they grow and is well positioned to assist them as they consider the impact of energy supply and cost on their operations. This role of point of contact is an important one for DED to maintain and expand if possible.

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The BRC within DED offers a broad range of services to NH businesses including assisting businesses as they work to reduce energy costs by coordinating a number of business energy efficiency programs. The BRC and its partners can provide information and technical assistance on energy audits, training, and financing opportunities that will help improve the energy efficiency of participating New Hampshire businesses. This also requires that the BRC be in close communication with the utility companies in New Hampshire, and state and federal agencies, to possess a working knowledge of their available programs. This work and any additional initiatives being considered depend on the level of funding and staffing available. As part of the existing Memorandum of Understanding with the NH Office of Energy and Planning (NH OEP) for annual funding the DED also agrees to:

- Staff and coordinate the Business Energy Efficiency Program (BEEP)
- Provide training to DRED's in-field Business Service and Recruitment Specialists relating to New Hampshire-specific energy codes, energy procurement, building

improvements, available energy-related funding, financing, and other energy-related programs and services.

-Directly provide New Hampshire businesses with technical assistance and information in the areas of energy efficiency (buildings and equipment, lighting, advanced manufacturing processes, and resource management and disposal) and/or renewable energy, (biofuels, combined heat and power, solar thermal and electricity, wind, geo-exchange), as well as help in identifying and securing energy-efficiency and renewable energy funding.

-Provide technical assistance and support to municipal economic development officials regarding available energy-related programs and opportunities, to empower them to more effectively recruit and retain businesses.

- Promote energy efficiency, renewable energy, and related opportunities where appropriate.

-Coordinate the delivery of energy audits to businesses requesting assistance with the analysis of proposed energy efficiency improvements to their facilities.

-Maintain an existing database a record of the specific nature of the technical assistance related to energy issues and challenges that is provided to New Hampshire businesses.

-Identify and pursue additional funding opportunities to supplement the existing energy-related services offered by DRED.

-Participate in business-related energy efficiency and renewable energy policy discussions and committees, including but not limited to the Energy Efficiency and Sustainable Energy (EESE) Board and its subcommittees; the Interagency Energy Efficiency Committee, which addresses energy use in State-owned buildings and properties; OEP efforts to establish an energy efficiency goal or standard for the state, and the Granite State Clean Cities Coalition, which promotes alternatives to fossil fuels in the transportation sector.

Efforts to lead by example as a State agency have also been pursued by DRED. Although the main office space in Concord where the DED is located is leased the Parks Division (also part of DRED) has worked on retrofits to make their structures more energy efficient. Now there are some new opportunities within DRED to also retrofit the state rest areas they have taken over from the New Hampshire Department of Transportation. These are all opportunities to lead by example and demonstrate the value of energy conservation measures and renewable energy systems to all sectors in highly visible locations.

Findings from the Independent Study of Energy Policy Issues (SB 323)

This study was conducted for the New Hampshire Public Utilities Commission (NH PUC) at the direction of the New Hampshire Legislature, and the range of recommendations involve many different sectors and related agencies. The study identifies seven next steps that would have a significant and lasting difference on energy efficiency and sustainable energy market development in New Hampshire. Three of these relate directly to the work of DED including:

- Increase program coordination and further streamline administration;
- Use public policy, funding, and scaled program structures to attract and leverage private investment; and
- Encourage State and Local Governments to lead by example.

Also related to the work of DED, the study reported that the commercial and industrial sectors account for 30% of the energy use in New Hampshire, and transportation accounts for another 40%. This is important to remember as we look to the places where DED can work to reduce energy consumption and create new jobs here in New Hampshire. The DED is well positioned as a point of contact to reach out to the commercial and industrial sectors, and both sectors also are tied to the transportation sector where additional reductions are needed.

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Overall, the findings of SB 323 that relate to DED include outreach and education activities, connecting potential businesses with available funding opportunities, and serving as a point of contact for the commercial and industrial business sectors. Specifically, DED in partnership with others is well positioned to:

- **Coordinate the multiple energy efficiency finance and audit programs** offered by public entities and utilities, and to create a single strategic point of entry for business;
- **Coordinate the issuance of New Hampshire's remaining Qualified Energy Conservation Bonds;**
- **Facilitate private investment in energy efficiency, and creation of public-private partnerships** through stakeholder outreach and coordination;
- **Drive job creation and workforce development** in a sector that has a higher-than-average median wage and is experiencing faster growth than in the rest of the United States;

- **Pursue a “lead by example” approach**, engaging the broader community, collaboratively developing goals, and showcasing the model for others; and
- **Set the stage for the next level of energy legislation through coordinated development of the clean energy cluster**, which presently has more than a decade of experience in offering energy efficiency and weatherization services.

Although there is some overlap here are the other actions identified in the study that relate to DED organized by category:

Outreach

- Provide Outreach to increase participation in the Small Business program;
- Provide targeted outreach by customer type while providing specialized, targeted services to select, hard to reach customers;
- Improve interactions with Large Commercial and Industrial customers;
- Continue to provide a high quality of customer service to existing customers while cultivating new customers;
- Expand green industry recruitment and support for existing and new businesses in New Hampshire;
- Provide support for customer education and outreach related to energy conservation and renewable energy;
- Consider promoting the redevelopment of brownfields for solar technology and other uses;
- Implement contractor-driven sales network to stimulate and drive market demand for retrofits;
- Tailor outreach and messaging to demonstrate value of energy efficiency retrofits, both in monetary and non-monetary terms;

Funding

- Ensure the Availability and Stability of Funding for Energy Efficiency and Sustainable Energy Programs through State Programs and Utility partners;
- Explore mechanisms and existing models to fund unregulated fuels programs;
- Help Promote opportunities for upstream incentives for commonly purchased equipment;
- Provide policy and funding support to encourage appropriate development for community-scale projects, including district heating projects;
- Examine finance program design and outreach with respect to sector needs;

Point of Contact

- Provide support that will result in workforce development;
- Be ready for sustainable energy’s contribution to transportation-related infrastructure;
- Standardize commercial audit processes and requirements;

- Consider implementation of a state-wide commercial audit template to ensure consistency across projects and to optimize project funding across programs;
- Focus program design to improve uptake from small and medium sized businesses;

Economic Development Agencies in Other States

The Vermont Energy Investment Corporation (VEIC) just presented a new report to the DED on best practices and energy program initiatives in other states. This includes best practices in general, and identifies practices that relate specifically to energy efficiency and clean energy services to businesses and industries in a state. Through an examination of multiple Economic Development Agencies (EDAs), reports, presentations, and interviews with state economic development officials reveals consistent best practices for any EDA. In no particular order of importance, these key best practices are presented as tasks for effective EDA programming and administration:

- Identifying and building local strengths through cluster identification and development;
- Developing the local workforce through education and training;
- Providing technical assistance and business acumen;
- Providing grants and loan products, including bonds, to start-ups and existing businesses;
- Aligning and coordinating state incentives for businesses;
- Collaborating with businesses and local government to promote and establish favorable tax and economic incentives;
- Providing market analysis and sector data;
- Fostering collaboration and partner engagement within the business sector and larger communities, as well as among academic, government, and business sectors; and
- Promoting new industry growth, concurrent with support to existing businesses.

The initiatives pursued by the EDAs examined are directly tied to their staffing and financial resources. When focusing on energy efficiency initiatives there are two areas that EDAs typically focus on:

- 1) Developing and offering programs that provide technical assistance, energy audits, incentives, and clean-energy-specific financing to businesses, and / or coordinating with the EDA for the delivery of programs and incentives that are initiated and funded by others; and / or
- 2) Holistic development of an energy efficiency and clean energy sector in the state or local economy as a way to stimulate jobs, economic growth, and tax revenue. Such an approach can include comprehensive strategy and roadmap development, state economic policy development, outreach and education, stakeholder collaboration and coordination, the securing of grant funding, and workforce development.

VEIC also found that:

- EDAs that offer energy efficiency outreach, audit, and financing programs can be particularly effective in lowering business operating costs while promoting the benefits of building energy retrofits.
- EDAs can play an important role in coordinating energy audit, incentive, and financing programs to provide a strategic single point of entry for businesses.
- the EDA can be a single entity driving energy efficiency throughout its operational area

The *Independent Study of Energy Policy Issues* states simply that “Energy Is the lifeblood of the economy.” NH DRED, and more specifically DED, has the ability to leverage the study’s findings and align them with a wealth of local resources to ensure a prosperous economy for New Hampshire’s industries, business, and residents. The following pathways provide options for NH DRED to pursue coordinated direct offerings (e.g. energy audits, financing programs, technical support. and guidance) and clean energy cluster development.

Conclusion

It is important that DED continue to be the point of contact for businesses in New Hampshire on energy related issues. This will require continued collaboration with utility and agency partners, and increasing the role DED plays in New Hampshire. This will require a commitment to fund the programs offered and the availability of utility funding for these initiatives. The potential exists for expanding the scope of what the new energy economy means in New Hampshire (audits, weatherization, job creation, energy production, etc...) and guiding businesses from audit to implementation. This includes preserving existing businesses and growing/attracting new businesses. The BRC and its partners are well positioned to provide this information and technical assistance on energy audits, training, and financing opportunities that will help improve the energy efficiency of participating New Hampshire businesses.