NH CleanTech Council
Comments on initial Gap Analysis and Energy Efficiency Policy Options
April 7th, 2014

The NH CleanTech Council supports policy options that align with the following principles:

- Open and Competitive Markets
- Wealth Retention/Economic Development
- Innovation/Creativity
- Job Creation & Retention/Community Integration

As indicated in the gap analysis presented on March 28, 2014, there are tremendous savings opportunities in residential and commercial thermal and electric efficiency: these savings provide significant local economic benefits and reduce the amount of energy dollars that would otherwise leave the state each year. We support the following strategic opportunities to support increased savings in efficiency:

1. Leveraging and enabling private investment in clean technologies and renewable energy development projects. Whether it be at the customer level, making loans for energy projects as simple as possible, or at the investment level through the securitization of clean energy-based assets, private financing needs to be mainstreamed in order to realize nearly all facets of the vision.
    a. Advancing commercial PACE, through the measures included in HB 532, which include removing the project cap (in dollars) and clarifying the lien position of the bank for debt
    b. Expanding loan programs, private finance vehicles such as REITs, MLPs, and yieldcos, as well as other opportunities seen in other states using public-private banking models.

2. Consistent public goals and programming that advances market transformation and responds dynamically to a changing landscape, through:
    a. Energy Efficiency Resource Standard (EERS): Numerous studies point to a net economic gain to NH if it enacts and pursues a cost-effective energy efficiency resource standard (2013 GDS/VEIC report, NEEP 2014 report, 2011 NH Energy Policy Issues Report)
    b. Enhancing CORE Energy Efficiency programming, housed either through utilities or with a third party entity.
    c. Expanding new business models for energy efficiency delivery, including performance contracting

3. New utility business models and rate re-design.
    a. New utility business models that align ratepayer, policy, and shareholder interests must be pursued in order to realize NH's energy vision.
    b. Peak, Time-of-Use, stand-by, and other rates needs to be modified and/or expanded to reflect goals that are reach well-beyond traditional utility rate recovery.

In terms of policy options for energy efficiency, there are additional options that have not been presented, which we offer for consideration and inclusion in the strategy:

- Thermal (unregulated fuels) Systems Benefit Charge. A thermal SBC that can be returned to ratepayers in the forms of fuel conversion incentives and efficiency investments would better serve to stabilize consumer costs and incent the biomass, solar, and geo-thermal conversion. Equality in the thermal and electric sectors is an important component toward creating open and competitive fuel markets. Currently, the SBC is only levied on electric and natural gas ratepayers. The CTC recognizes the politically unripe nature of this option, but nonetheless include it here based upon its merit as sound policy and ability to improve the rate of wealth retention in NH.
- Regulatory reform: need to address the PUC-regulated CORE process and reform it to decrease adjudicative burden, modify performance incentive structures to be more market transformation focused, and provide policy/regulatory stability to encourage sustainable and increase levels of market investment while assuring ability to be market responsive and dynamic.
- Energy Code Adoptions and Compliance support: Require adopt of IECC (and related) building energy codes at a minimum 6 year cycle, with enabling legislation to encourage municipalities to adopt new codes on short, 3-year cycle. Require state facilities to adopt/utilize appropriate energy codes on 3-year cycle (lead-by-example).