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Governor Margaret Wood Hassan
State House
Concord, NH 03301

Dear Governor Hassan:

Senate Bill 99 of 2013 requires the Office of Energy and Planning (OEP) to undertake a study of the State's Energy Facility Site Evaluation Committee (SEC). The legislation required OEP, with expert assistance, to conduct a public process to study the SEC's organization, structure, and process; to identify deficits and needs within the existing siting process; and to engage stakeholders to inform the development of siting rules by the SEC. The final report is available on OEP's website at <http://www.nh.gov/oep/energy/programs/sb99.htm>.

OEP is grateful to all of the citizens and stakeholders who participated in this process over the last three months. We especially thank the efforts of our informal advisory committee, including Senator Jeanie Forrester and Representative Suzanne Smith, who met four times during the project to provide advice to OEP and the consultant team as we developed materials for public review.

OEP and its consultants, Raab Associates, Ltd. and the Consensus Building Institute, held seven stakeholder focus groups in Concord, and five interactive citizen workshops around the State to seek public input for the study and to explore potential changes to our State's siting procedures. In addition, OEP hosted three open listening sessions. Nearly 500 people from around the state participated in the process. All public input, including all information collected during the focus groups, citizen workshops, and listening sessions, as well as details about the processes used to gather input, is compiled in the attached report. OEP also received additional public comments in writing. All comments received are included in Appendices to the report.

In order to provide information about siting issues before seeking public comment, the consulting team provided two research papers: an overview of New Hampshire's current siting process that includes challenges within the current process, and a detailed review of six other states' siting processes. Those papers are included in Appendix A, and are also available on OEP's website.

Several themes emerged as areas of potential agreement among many stakeholders and members of the public. They include:

- **SEC Funding and Resources:**
 - There is widespread recognition that having an ad hoc and unfunded siting committee presents many challenges and requires member agencies to absorb many of the costs of reviewing SEC cases.
 - Applicant fees were suggested by many during public comment sessions as a way to provide funding for the SEC's functions. Today the SEC does not have any filing fees for applicants, though they do pay for studies and staff.
 - 86% of all focus group participants find acceptable instituting a standardized application fee to cover some or all SEC-related costs. This idea is also supported in many of the public comments received during the project.
 - 70% of all focus group participants also find acceptable having a state appropriation to cover some or all SEC costs.

- **SEC Membership and Size:**
 - New Hampshire has the largest and most diverse siting committee of all other New England states, which participants recognize can result in benefits and challenges.
 - A majority of participants in the seven focus groups support reducing the size of the SEC from 15 members from eight agencies to eight or fewer members from fewer agencies.
 - About three quarters of participants in the citizen workshops support changing the SEC to include adding public members.

- **SEC Staffing:**
 - 82% of all focus group participants support hiring permanent and dedicated staff to support the SEC in administrative tasks.
 - 71% of all focus group participants support hiring dedicated staff that also provides substantive assistance (potentially including recommendations for decisions and findings).

- **Public Engagement:**
 - Nearly all participants in the citizen workshops supported making changes to increase opportunities for public participation in SEC cases. Of greatest interest was creating a meaningful pre-application process and having more than one required public meeting in the region of a proposed project.
 - Participants in focus groups tended to favor the *status quo*, but with a majority supporting the creation of a required pre-application process that could provide impacted communities with more time to work with an applicant to understand and have input on a proposed project.
 - Public commenters also raised concerns about the ability of citizens and impacted communities to participate in the SEC process.

- **Role of Public Counsel:**
 - 81% of all focus group participants support clarifying the role of the Counsel for the Public, who is currently charged with representing “the public in seeking to protect the quality of the environment and in seeking to assure an adequate supply of energy.”
 - Many comments suggest that the role of Public Counsel is confusing. Commenters also suggested that members of the public who wish to participate in an SEC case would benefit from either resources or assistance.

- **Current Required Findings:**
 - 72% of all focus group participants support defining and detailing the existing three findings in the statute more clearly.¹
 - Nearly two-thirds of workshop participants support linking siting decision-making to a state energy policy or strategy.

- **Visual Impacts:**
 - 75% of all workshop participants support adopting specific filing requirements related to visual impacts to enable the SEC to review visual impacts consistently.
 - 74% of all focus group participants also support developing criteria on how visual impacts should be evaluated by the SEC.
 - Workshop participants also support both filing requirements and criteria for visual impacts in similar numbers.

- **Noise Standards:**
 - 72% of all focus group participants support a statewide relative noise standard (e.g., some amount higher than background noise).
 - Similarly, approximately three-quarters of citizen workshop participants support a relative noise standard (as opposed to an absolute noise standard), but almost two-thirds support SEC deference to local noise standards where they exist.

- **“Orderly Development:”**
 - 71% percent of all focus group participants support adopting more specific criteria for evaluating the statutory requirement that a project not result in “undue interference with the orderly development of the region” where the proposed facility is sited.
 - Many public comments suggested that it is not clear what the SEC must consider related to this statutory criterion on “orderly development.”

¹ RSA 162-H:16, IV requires that the SEC make the following findings:

(a) Applicant has adequate financial, technical, and managerial capability to assure construction and operation of the facility in continuing compliance with the terms and conditions of the certificate.

(b) Will not unduly interfere with the orderly development of the region with due consideration having been given to the views of municipal and regional planning commissions and municipal governing bodies.

(c) Will not have an unreasonable adverse effect on aesthetics, historic sites, air and water quality, the natural environment, and public health and safety.

- **Alternative Sites (or Routes):**
 - 57% of all focus group participants support the *status quo* of the SEC considering “available alternatives” filed by the applicant.
 - Approximately two-thirds of citizen workshop participants support requiring applicants to file both alternative routes and undergrounding proposals for consideration by the SEC. More than half of workshop participants support requiring generating plant applicants (including wind) to conduct alternative site analysis.

- **“Need” Finding:**
 - The majority of focus group participants believe that the SEC should continue to not be required to make a “need” finding as part of its review of energy facilities, consistent with changes made after electric deregulation, though this issue was split in some focus groups.
 - Public comments at the citizen workshops and public listening sessions, however, included many suggestions that siting decisions should be tied to a need for energy in New Hampshire, even though our state is part of a regional electric grid.
 - Many public commenters suggested that impacted communities in New Hampshire need to understand and have local and state benefits of a project in order to accept potential impacts to their communities.

Our work on these important issues will continue in 2014. SB99 requires that the SEC develop siting criteria in administrative rules no later than January 1, 2015. This will require intensive efforts over the coming year, with the continued engagement and participation of the public and all stakeholders.

Finally, I would like to recognize the efforts of many OEP staff members who went above and beyond to help complete this report within a very challenging timeframe, especially Brandy Chambers and Michele Zydel.

Please do not hesitate to contact me if you would like more information.

Respectfully submitted,



Meredith A. Hatfield, Director