Bill as Introduced

HB 67 - AS INTRODUCED

2003 SESSION

03-0079
03/09

HOUSE BILL ***67***

AN ACT relative to funding for energy efficiency programs.

SPONSORS: Rep. V. Clark, Rock 79

COMMITTEE: Science, Technology and Energy

ANALYSIS

This bill requires that funds allocated from the system benefits charge for the Public Service Company of New Hampshire energy efficiency program be placed in a revolving loan fund to provide loans to ratepayers for energy-efficiency projects and products. This bill also phases out the energy efficiency program allocation over 3 years.

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

HB 67 - AS INTRODUCED

03-0079
03/09

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Three

AN ACT relative to funding for energy efficiency programs.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Energy Efficiency Program; Revolving Loan Fund. Amend 2001, 29:14, I, as amended by 2002, 268:6, to read as follows:

I. The public utilities commission shall phase-in, as quickly as can be effectively administered by Public Service Company of New Hampshire, an energy efficiency program for Public Service Company of New Hampshire that is funded at a rate of $0.0018 per kilowatt-hour to be allocated from the system benefits charge. ***Beginning July 1, 2003, all funds allocated from the system benefits charge for the energy efficiency program pursuant to this paragraph shall be placed in a revolving loan fund to provide loans to ratepayers for energy-efficiency projects and products. The per-kilowatt-hour allocation under this paragraph shall decrease from $0.0018 to $0.0014 effective July 1, 2003; to $0.0010 effective July 1, 2004; to $0.0005 effective July 1, 2005; and to $0.00 effective July 1, 2006.*** The public utilities commission shall not decrease the amount of the system benefits charge allocated to low-income customers due to passage of this act.

2 Effective Date. This act shall take effect July 1, 2003.

Speakers

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill # HB 67 Date 1-23-03

Committee STATE

**** Please Print All Information ****

Name	Address	Phone	Representing	(check one) Pro	Con

Hearing Minutes

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

PUBLIC HEARING ON HB 67

BILL TITLE: relative to funding for energy efficiency programs.

DATE: JAnuary 23, 2003

LOB ROOM: 304 **Time Public Hearing Called to Order:** 10:04 am

Time Adjourned: 11:15 am

(please circle if present)

Committee Members: Reps. Thomas, Maxfield, Ham, Harrington, Introne, Leach, Arnold, Beaton, Cataldo, Crane, Hatch, Nutter, Ross, Slocum, Pitts, Kaen, J. Harris, Pelletier, Poulin and Webber.

Bill Sponsors: Rep. V. Clark

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep. Vivian Clark, prime sponsor – Introduced the bill. This bill requires that funds allocated from the SBC energy efficiency program be placed in a revolving loan fund to provide loans to ratepayers for energy efficient projects and products.

Q: Rep. Thomas Arnold – If loans to ratepayers default, could a lien be placed on property?

A: Might work, but don't really know.

Q: Rep. Lee Slocum – Is there a requirement to spend all that is collected?

A: No.

Q: Rep. Lawrence Ross – How much is collected?

A: Not known.

Q: Rep. Ross – Who are current users of energy efficient programs?

A: Electric co-op- mainly used for residential ratepayers. PSNH –mainly used for municipal projects. All use some funds for energy studies at schools, etc.

Q: Rep. Ted Leach – To what utilities does current law apply?

A: Although current law states PSNH, the New Hampshire Electric Coop also collects. Collection oversight is conducted by the PUC.

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

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A: Although current law states PSNH, the New Hampshire Electric Coop also collects. Collection oversight is conducted by the PUC.

*Patti Carrier, Facilities Manager, NH Ball Bearings, Inc. – Opposes the bill. See written testimony. Needs more study before changing allocation of fee.

*Joanne Morin, NHDES – Opposes the bill (for now). This bill is premature and topic needs further study.

Donna Gamache, PSNH – Opposes the bill as currently written. Concerns include inability of low-income customers to pay off loans and impact of changing funding stream in middle of pilot program. Over 70% of currently funded programs will become unfundable under the proposed bill.

Sierra Curtis-McLane, NHPIRG – Opposes the bill. Need to continue to fund current energy conservation programs and not to tinker with current funding mechanism

Chris Wells, Society for the Protection of NH Forests – Opposes the bill. Conservation programs are working; less energy is being used, creating less pollution, therefore less impact on health of forests.

*Alan Linder, NH Legal Assistance –Represents low-income clients and opposes the bill. See written testimony.

Chairman Thomas – Referred HB 67 to the Electric Subcommittee and scheduled a subcommittee meeting for January 29, 2003 at 1 PM.

Respectfully Submitted:

Robert E. Introne

Robert E. Introne, Clerk

Sub-Committee Actions

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 67

BILL TITLE: relative to funding for energy efficiency programs.

DATE: January 29, 2003

Subcommittee Members: Reps. Slocum, Hatch, Introne, Thomas, Ross, Beaton, Cataldo, Leach, Harris, Nutter and Maxfield

Comments and Recommendations: The pilot program needs to acquire more history and data prior to making judgements about program alterations and funding phase out.

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote:

Motions: OTP, OTP/A, (ITL), Interim Study (Please circle one.)

Moved by Rep. Maxfield

Seconded by Rep. Caraldo

Vote: 10-1

Respectfully submitted,

Rep. Lee G. Slocum
Subcommittee Chairman/Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION ON HB 67

BILL TITLE: **relative to funding for energy efficiency programs.**

DATE: ~~{Type DATE here}~~ 1-29-03

Subcommittee Members: Reps. Slocum, Hatch, Introne, Thomas, Ross, Beaton,

Comments and Recommendations: Also present Catzldo, Leach, Harris, Nutter, Maxfield

The pilot program needs to acquire more history and data prior to making judgements about program alterations and funding phase out.

Amendments:

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Motions: OTP, OTP/A, [ITL] Interim Study (Please circle one.)

Moved by Rep. Maxfield

Seconded by Rep. Catzldo

Vote: 10 - 1

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. _____

Seconded by Rep. _____

Vote: _____

Respectfully submitted,

Rep. Lee A. Slocum

Subcommittee Chairman/Clerk

Testimony

CLEAN AIR COOL PLANET

100 Market Street, Suite 204, Portsmouth, New Hampshire 03801 phone 603.422.6464 facsimile 603.422.6441

TESTIMONY of
NED RAYNOLDS
SENIOR PROGRAM OFFICER
CLEAN AIR-COOL PLANET

before the

HOUSE SCIENCE, TECHNOLOGY, AND ENERGY COMMITTEE

JANUARY 23, 2003

I'm Ned Raynolds, Senior Program Officer at Clean Air-Cool Planet, a non-profit organization based in Portsmouth that creates partnerships to implement solutions to climate change. We work with businesses, colleges & universities, and municipalities throughout the Northeast, including the University of New Hampshire, Verizon Corporation, The Timberland Company, Shaw's Supermarkets and the cities of Keene and Nashua.

I'm here today to urge that House Bill 67 be killed or amended, for the following reasons:

Climate Change is real and its causes must be addressed now.
Climate change is real problem; it is already occurring and its effects are being seen and experienced here in New Hampshire. In just the last month there have been several more peer-reviewed studies released documenting observed geographic shifts in the range of plant and animal species, a drastic thinning of the ice over the North Pole, and the rapid retreat of glaciers around the world. You don't have to take my word for it; the reality of climate change and its projected impacts on this state have been documented and described in publications like these, all of which heavily involved scientists and researchers from the University of New Hampshire. The bottom line of these projections is that if left unchecked, rising concentrations of greenhouse gases in the atmosphere will, by middle of this century, give us a climate here in New Hampshire like that of Richmond, Virginia today. By 2100, our climate will be like that of today's Atlanta, Georgia. The implications of this kind of rapid change are profound: the damage to core New Hampshire economic interests like maple syrup production, fall foliage tourism, winter recreation, and the forest products industry would be severe.

A Regional Plan calling for substantial emissions reductions is in place.
That's why back in August of 2001, the governors of all six New England states – then featuring 3 Republicans (Rowland, Swift, Almond), 2 Democrats (Shaheen, Dean), and 1 Independent (King) adopted, in conjunction with their counterparts, the premiers of the five eastern Canadian provinces, a regional Climate Change Action Plan that called for reducing the emissions of greenhouse gases from the region to the levels of 1990 by 2010, and to 10% below 1990 levels by 2020. That may sound bold and ambitious, but their resolve went even farther: these eleven state and provincial leaders of our region explicitly recognized that reductions like these were only the first step, that in fact, reductions over the long term – say, by mid-century – of 75-85% below current levels, were necessary to "eliminate any dangerous threat to the climate."

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This bill is the opposite of what's needed.
There's no question it will take a large and sustained effort to achieve these kinds of reductions in the greenhouse gas-intensity of our state and regional economy. There are many specific strategies and technologies that will need to be employed, but many of them fall under the broad heading of "Improving Energy Efficiency in Residential and Commercial Buildings and Industry." That's why I'm here today to urge that this measure be defeated or amended to allow the core energy efficiency programs currently in place to continue through at least 2006. The existing Systems Benefit Charge and the commercial and residential energy efficiency programs that it supports, modest as they are, are virtually the only New Hampshire policies and programs of the kind needed to move us toward achieving the greenhouse gas emissions reductions I just described.

Many people, including members of this committee, the state's utilities and the staff of the Public Utilities Commission labored mightily to design and launch our current energy efficiency programs. They've been up and fully running for barely six months. They need and deserve a chance to deliver their intended results. This bill is exactly the wrong move, at the wrong time.

Programs like this have been in place, and are in place, in every other state in the region, and have been proven over and over to be cost effective. This State's gas utilities recently developed, voluntarily, efficiency programs for New Hampshire, which are now in place. Energy efficiency is clearly recognized, then, as an important resource, in fact, this state's largest domestic energy resource. The oft-vaunted free market falls far short in delivering energy efficiency to its full cost-effective potential. Targeted mechanisms and programs are necessary to ensure that residents can easily tap this resource and keep more of their energy dollars in their pockets, and that businesses – especially small businesses – can tap this resource to help keep their operating costs down and enhance their competitiveness. That's why every state in the Northeast has these programs, most at a level and scope far exceeding New Hampshire's. What we have now is adequate – barely – and tampering with them now will squander all the effort that went into them, just when they are starting to deliver their intended results.

In summary, energy efficiency is one of the fundamental strategies and resources that New Hampshire residents, businesses, and industry will need to tap – far more vigorously than they are now – in order to achieve the kind of reductions in greenhouse gas emissions that we MUST to protect our state's economy and way of life and live up to our commitment to the other states in the region and our neighbors to the north in working to reduce the threat posed by climate change. The current SBC and energy efficiency programs should be significantly increased and strengthened.

Thank you, and I'd be happy to respond to any questions.

A graduate of the U.S. Coast Guard Academy with a Master's degree in Public Policy from Harvard's John F. Kennedy School of Government, Ned has more than 10 years experience working in environmental programs, mostly on energy issues. After eight years on active duty in the Coast Guard, he worked on EPA Energy Star programs at the Lawrence Berkeley National Laboratory and at the Alliance to Save Energy in Washington, D.C., and then as Policy Outreach Manager for the non-profit Northeast Energy Efficiency Partnerships.

Prepared by New Hampshire Public Utilities Commission
In Re: House Bill 67
January 29, 2003

History of PAYS and Core Energy Efficiency Programs

1990 RSA 378:37 "Least Cost Energy Planning" requirements for electric utilities, including an assessment of demand-side energy management programs, including conservation, efficiency improvement and load management programs. Subject to Commission review and evaluation of such plans. Origin of conservation load management charge.

May 30, 1996 Docket 96-150 opened relative to electric industry energy restructuring in New Hampshire

February 28, 1997 Commission decides to phase out existing energy efficiency programs in light of Electric Industry Restructuring Plan development

March 20, 1998 Commission grants a rehearing based on motion of the Conservation Law Foundation and others (the Electric Utility Restructuring Collaborative) regarding the phase out of energy efficiency programs and creates the energy efficiency work group to "take a fresh look at energy efficiency programs.

July 6, 1999 Report of NH Energy Efficiency Working Group (DR 96-150)

November 1, 2000 Order No. 23,574 (DR 96-150) directs New Hampshire Electric Cooperative and Public Service Company of New Hampshire to develop a proposed pilot energy efficiency products program based on the concept known as Pay As You Save (PAYS) (derived from a NARUC presentation by the Energy Efficiency Institute) and adopted, with certain modifications, the recommendations of the NH Energy Efficiency Working Group. The Order directed the five electric utilities to work together to develop a series of "Core" Energy Efficiency Programs.

March 14, 2001 Joint Petition by the five utilities for Commission approval of five Core programs for energy customers and three Core programs for commercial and industrial customers (Docket 01-057)

November 29, 2001 Order No. 23,850 approved a Phase I Settlement of the development of Core energy efficiency programs. Petitioners agreed to dedicate sufficient funds and resources to deliver the Core Programs in a consistent manner, to as many NH residents, business and public facilities as possible through year end 2003.

November 29, 2001 Order No. 23,851, Implementing Pilot Pay As You Save Energy Efficiency Program for New Hampshire Electric Cooperative and Public Service Company of New Hampshire.

December 1, 2001 PSNH begins PAYS contracting using funds collected from the Conservation Load Management Charge

January 11, 2002 Beginning of Phase II of the docket with Granite State utility-specific filing.

May 15, 2002 Commission conducted hearing on the merits of the collective utility filings related to Core energy efficiency programs.

May 31, 2002 Order No 23,982 approved the resulting Settlement Agreement and authorized implementation of the programs.

June, 2002 NHEC entered into first PAYS contract.

July, 2002 Beginning of 1.8 mil energy efficiency SBC. PSNH switches financing of PAYS from CLMC to new SBC.

NEW HAMPSHIRE LEGAL ASSISTANCE
Seacoast Branch Law Office
154 High Street, P.O. Box 778
Portsmouth, NH 03802-0778

Tel: (603) 431-7411 • (800) 334-3135
Fax: (603) 431-8025

2003 Session. House Science, Technology and Energy Committee
HB 67, An Act relative to funding for energy efficiency programs
Public Hearing January 23, 2003

- Electric restructuring and energy efficiency. RSA 374-F
- Current statewide energy efficiency programs, 6/1/02-12/31/03
  * Low-income energy efficiency program
- Pilot Pay As You Save (PAYS) energy efficiency loan programs
- Wait for the results of the statewide programs and pilot PAYS programs
- Benefits of loan programs unclear at this time
- Potential adverse consequences of HB 67
  * Undermine the statewide programs before they have a fair chance to benefit customers
  * Harm to low income customers
    * Unable to participate in private market
    * Lack of discretionary income
    * Unlikely to benefit
    * High mobility rate of low income renters
    * Tight housing market eliminates ability to choose apartment
    * Elimination of current statewide energy efficiency program funding
- Recommendations
  * HB 67 is premature to consider this session
  * Alternatively, HB 67 needs careful study to determine (1) results of statewide and pilot programs, (2) feasibility of revolving loan program, (3) who would benefit, and (4) who might be harmed if the statewide energy efficiency programs are eliminated

Respectfully submitted,
Alan Linder
Staff Attorney

State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES
6 Hazen Drive, P.O. Box 95, Concord, NH 03302-0095
(603) 271-1370 FAX (603) 271-1381

January 23, 2003

The Honorable John H. Thomas, Chairman
NH House of Representatives
Science, Technology and Energy Committee
Legislative Office Building, Room 304

RE: HB 67 An act relative to funding for energy efficiency programs

Dear Chairman Thomas and Members of the Committee:

The New Hampshire Department of Environmental Services (DES) appreciates the opportunity to testify regarding HB 67, a bill establishing a revolving loan fund for energy-efficiency projects and phasing out the energy efficient system benefits charge.

As you are aware, energy efficiency and conservation is a critical part of energy planning and policy. Fossil-fuel burning electric power plants emit substantial quantities of several harmful air pollutants and every mega watt of energy saved reduces emissions. Energy efficiency measures, which avoid having to generate electricity, avoid emissions of all pollutants. Cost effective pollution prevention strategies, such as energy efficiency and conservation, eliminate emissions of harmful pollutants to the air, rather than just diminish them or shift their environmental impact to another media such as water or land. In addition, reducing energy demand, particularly during peak demand periods, is also critical to reducing energy costs. Moderate increases in peak demand in high load seasons such as summer can produce large cost increases in the power pool market, while having significant environmental impacts on our environment and our economy.

DES has worked in collaboration with a number of diverse parties in establishing statewide energy efficiency programs funded by the system benefit charge (PUC Docket 01-057). These programs are based on recommendations by the Energy Efficiency Working Group, which included electric and gas utilities, DES, the Public Utilities Commission (PUC), the Office of Consumer Advocate Office, energy service companies and other interested parties. Cost-effective programs were developed jointly with the utilities in a subsequent proceeding. A summary of the programs is attached. These programs are administered by the electric utilities, and the current design has been approved through the end of 2003. DES is continuing to work with other interested parties in overseeing the implementation and performance of these programs on a quarterly basis.

As a companion to the energy efficiency programs, the PUC also approved a unique pilot program for two electric utilities (PSNH and NHEC) called "Pay-as-You-Save" or "PAYS" (PUC Docket 01-080). PAYS is a market-based system designed to operate without the use of subsidies to enable electric consumers to buy energy efficient products without an up-front payment, capital or debt. The customer pays for the energy efficient products through payments on their electric bill, which are designed to be lower than the estimated savings from the measure. The concept is that the cost of the product or measures is paid for by the savings incurred as a result of the installed measures, similar to performance contracting used by large users. This pilot project is a new way of funding energy efficiency, especially for residential, institutional, and municipal customers. In the pilot program, the initial costs of the products or measures utilize funds from

the system benefits charge. PAYS has received a great deal of interest and is underway in a number of communities in New Hampshire. All of these programs were designed to transform the market place by increasing the availability of energy efficient equipment and products and developing the market demand for these products.

You may also be aware that the PUC recently approved natural gas efficiency programs, which KeySpan and Northern Gas will be offering to their New Hampshire customers in the coming months. The many stakeholders involved, as well as the two gas companies, supported offering programs similar to the electric core efficiency programs because they make sense for economic, environmental, reliability, and energy security purposes.

House Bill 67 proposes to establish a revolving loan fund to support energy efficient projects. If this concept is similar in approach to the PAYS program, it should be explored as a tool in the State's energy policy. The evaluation of the PAYS program will be important in developing a conceptual plan for a revolving loan fund. Though transition to a revolving loan fund at this time may be premature, an evaluation of possible administrative and financial structures to facilitate moving in this direction could be useful. Establishment of a revolving loan fund should be considered as market transformation takes place through the existing programs such as the PAYS pilot. DES will be happy assist the Committee in exploring this concept.

Thank you for the opportunity to offer our comments on HB 67. If you have any questions regarding these comments, please feel free to contact Joanne Morin (271-5552) at DES' Air Resources Division.

Sincerely,

Robert R. Scott
Chief Air Programs Manager
Air Resources Division

New Hampshire Energy Efficiency Programs

NH ENERGY STAR® Homes Program

The NH ENERGY STAR® Homes Program encourages customers to take advantage of the benefits of building a new (or complete renovation of) single or multi-family energy efficient home with incentives up to $2,500. ENERGY STAR® construction results in reduced monthly operating costs, improved homeowner comfort and a higher resale value, all while providing greater environmental benefits. The program provides assistance in evaluating your new home plans, air leakage testing, and incentives to install ENERGY STAR® appliances and lighting systems.

- *All participating homes are eligible to receive a nationally recognized Home Energy-efficiency Rating called a HERS rating. The higher the rating, the more energy-efficient your home.*
- *Incentives are available for the purchase of energy-efficient appliances, lighting, heating efficiency upgrades, and duct testing.*

Income Eligible Energy Efficiency Program

Helps income-qualified customers understand their energy use with the goal of lowering energy costs. Qualified customers living in an apartment or house, either rented or owned, can receive up to $3,600 in services ($5,900 if customers also qualify for the NH Weatherization Assistance Program), including a customized report helping them better understand their home, factors affecting their energy use, and recommendations on how to use energy more efficiently.

Services include:

- *Insulation*
- *Air sealing*
- *Thermostats*
- *Electric hot water measures*
- *Refrigerator replacement*
- *Lighting upgrades*
- *Education*
- *Health & Safety measures*
- *Home Energy Rating - a "miles-per-gallon" computer model of your home's relative efficiency*

Residential Retrofit Program

This program assists customers in maximizing the energy efficiency of their homes. Customers can receive up to $2,500 in rebates and services for qualified energy efficiency improvements. This program is available to customers with some permanently installed electric heat first, and will then be offered to those customers with high electric use.

Services include:

- *Weatherization measures: Insulation, Air sealing, thermostats, electric hot water measures*
- *Refrigerator rebates*
- *Lighting upgrades*
- *Home Energy Rating - a "miles-per-gallon" computer model of your home's relative efficiency*

ENERGY STAR® Appliance Program

Customers will receive a $50 rebate coupon which can be used towards the purchase of an ENERGY STAR ® rated clothes washing machine when purchased between June 1, 2002 and December 31, 20002, at a participating retailer. ENERGY STAR® clothes washers use 35% to 50% less water and 50% less energy per load!

List or Links....
(Have list of participating retailers available)
(clothes washer info: http://www.eren.doe.gov/buildings/consumer_information/clotheswashers/cloques.html)
(EnergyStar Clothes Washer Link: http://www.energystar.gov/products/clotheswashers/)
(List of EnergyStar Qualified clothes washers: http://www.energystar.gov/products/search.asp?atype=CW)

ENERGY STAR® Lighting Program

Residential customers who purchase of ENERGY STAR® rated light bulbs and fixtures can receive rebate coupons redeemable at participating retailers. These and other energy efficient lighting products will also be made available from our mail order catalog. A typical ENERGY STAR® rated Compact Fluorescent Lamp (CFL) lasts up to 10 times longer than an equivalent incandescent bulb and uses 75% less energy.

For a limited time, rebate levels available for energy efficient lights and fixtures are:

- *$5 towards compact fluorescent light bulbs*
- *$10 towards exterior light fixtures*
- *$15 towards interior light fixtures*
- *$20 towards torchiere lamps*

Small Business Energy Efficiency Program

This program assists small commercial and industrial customers (with demands under 100 kW) by providing 50% of the installed cost of electrical energy efficiency improvements .A qualified energy auditor will schedule a walk-through assessment to identify energy efficiency improvements for:

- *Lighting*
- *Occupancy sensors*
- *Electric water heating measures*
- *Controls for walk-in coolers*
- *Air conditioning*
- *Programmable thermostats*

Customers can then work with the auditors and decide when to move forward with and schedule the recommended equipment replacements.

Large Business Energy Advantage Program

This program is targeted to business customers with demands over 100 kW to assist with financial and technical services to facilitate the installation of new energy efficient equipment through the replacement of old, inefficient equipment in existing facilities. Rebates are available for:

- *Lighting Conversions and Controls*
- *Energy Efficient Motors*
- *Variable Frequency Drives (VFDs)*
- *Energy Management Systems*
- *LED Traffic Lights*
- *Custom Projects*

Services include:

- *Detailed Energy Audits*
- *Review of specific energy efficiency projects*
- *Equipment and Building Commissioning*
- *Educational Programs and Seminars*

New Equipment & Construction Program

This program targets any commercial/industrial customers building a new facility, undergoing a major renovation, or replacing failed (end-of-life) equipment. The program offers the following rebates and services:

Rebates are available for:

- *Energy Efficient Lighting and Controls*
- *Energy Efficient Motors*
- *Variable Frequency Drives (VFDs)*
- *HVAC Equipment and Chillers*
- *Energy Efficient Dry Type Transformers*
- *Custom Projects*

Technical assistance services include:

- *Detailed Plan Review*
- *Review of specific energy efficiency projects*
- *Equipment and Building Commissioning*
- *Educational Programs and Seminars*
- *Energy Efficient Schools Initiative*

January 23, 2003

The purpose of my testimony today is to express my view regarding HB67.

Almost 2 years ago, I came before this committee in support of an increase in the systems benefits charge (I have attached a copy of that testimony from two years ago to this written testimony). During my last visit, I informed you of an energy efficiency project NHBB had undertaken regarding lighting upgrades in our clean room at our facility. The savings resulting from that project were a 20% reduction in electricity demand, over $6,000 in annual costs savings as well as environmental savings of over 36 tons of CO_2. The project payback was immediate. Since that time, NHBB has continued its energy efficiency efforts accessing funding available through the systems benefits charge. I am pleased to report to you today that we continue to realize decreased electricity demand related to those projects, a combined total of over $600,000 in annual cost savings and combined environmental savings of over 2,870 tons of CO_2. That's like taking over 500 cars off the road. And at this point, I believe that we have "picked all of our low hanging fruit". Energy efficiency now -- for us -- is a lot more engineered and a lot more costly. In other words, to get substantial gains in reducing consumption, we have to go to greater lengths to control our use efficiently. That translates into controls and control systems. That translates into larger costs and longer project payback terms.

In tough economic times such as these, NHBB continually looks for ways to run the business leaner and more efficiently. Access to the energy efficiency programs and the funding available through them impacts our business in a positive way. It reduces our overall manufacturing costs, which in turn allows us to remain the top competitor in our field.

The Core Energy Efficiency Programs now in effect are the result of a cooperative effort among all of New Hampshire's electric utilities. Each ratepayer class has programs tailored for its specific uses and needs. The Core programs were introduced to the public in June of 2002 after many months of design, redesign and rework. At this point in time, I feel as though it is premature to make any changes in the systems benefits charge allocation. These Core programs are just learning to crawl -- they need time to get on their feet. And just as benefits have been realized from past generations of energy efficiency programs, there is no reason to expect the results to be any different for these new programs.

Thank you for the opportunity to present this testimony.

Respectfully submitted,

Patricia Carrier

Patricia Carrier
Manager, Facilites/Environmental
New Hampshire Ball Bearings, Inc.

April 3, 2001

NHBB manufactures precision ball and roller bearings predominantly for the aerospace industry. We employ approximately 480 people at our Peterborough facility. My role at NHBB involves facilities management as well as environmental, health and safety compliance. The purpose of my testimony today is to express my support for the proposed increase in the Systems Benefits Charge (SBC) in section 7 of HB423.

NHBB's support for increased funding for energy efficiency programs is driven by many factors, not the least of which is our strong commitment to protecting the environmental quality of our State. We believe that although the connection between environmental benefits and energy efficiency are not made often enough, this alone is a good enough reason for all of us to strengthen our commitment to increasing efficiency in our buildings and systems.

Another factor underlying our support for increased energy efficiency funding is NHBB's ISO 14001 certification, which we have worked hard to maintain since 1999. To put ISO 14001 in a nutshell, it involves first being in compliance with all environmental laws, and then continually improving our environmental performance by minimizing our wastes and emissions, as well as having a firm commitment to pollution prevention. The certification standards are market-driven, and have become a key component of being a successful player in an increasingly competitive marketplace.

Energy efficiency has played a major role in our efforts within the ISO 14001 program, as we recognize that our energy consumption has many environmental impacts. These include air quality and water quality impacts, and the fact that our power is currently generated through the use of non-renewable resources.

To give you an idea of the magnitude of our energy use, NHBB uses over 1.2 million kwh of electricity per month. Our efforts to decrease our usage and to increase our efficient use of energy include building upgrades such as lighting retrofits. For example, we recently completed a 25,000 square foot lighting upgrade of our assembly operations. This involved replacing ballasts and lamps for 250 fixtures. Through this efficiency project we realized a reduction of more than 20% in our electricity demand (see attached data). Based on our hours of operation, this will save over 84,000 kwh of electricity per year. This results in environmental savings of over 36 tons of CO_2 that would have been emitted, and we will save more than $6,000 per year in energy costs, which we realized immediately. We were able to achieve these savings by working with PSNH, who provided funding for the ballasts and lamps through a program funded by the System Benefits Charge. NHBB currently has other similar efficiency projects that we are ready to implement, and in fact we have already submitted them to PSNH. The company is considering the projects, but has indicated that funding may be an issue. We will continue to work closely with PSNH to move these projects forward, but it seems clear that an increase in the System Benefits Charge is key to making more of these energy saving projects possible.

On a broader scale, NHBB is not the only company in the state that is looking closely at its energy use and wants to take advantage of System Benefits-funded programs. From my work with my counterparts at other NH companies, I can tell you that there is strong interest in increasing the availability of these programs to help NH companies maintain strong positions in their respective industries.

One example of the interest in energy programs is clearly shown by the strong support for a new program called the New Hampshire Industries of the Future Program (NHIOF). This program has just recently been launched by the Governor's Office of Energy and Community Services, working

closely with the BIA's Wastecap program. This innovative program will address issues such as energy efficiency and conservation, environmental regulatory flexibility, manufacturing process technology improvements, efficient use of waste materials, and workforce development. These specific areas were identified by the targeted IOF industries (metal casting, pulp & paper, plastics) as barriers to maintaining their competitive edge and as essential to address in order to be thriving in the year 2020. And while there are certain areas of the IOF program that are unique to manufacturing, there are also broader areas that will benefit all businesses. Energy efficiency is clearly one of those core issues. As a result, the importance of efforts such as IOF can not be understated. It is seen by these targeted industries as an important program that will improve the economic well being of the state as well as bring about environmental benefits. And it will not only benefit specific targeted industries in our state, but it also has the potential to touch every business in a positive way. Therefore, in my opinion, it is appropriate to increase the System Benefits Charge in order to support investments in industry-driven energy efficiency programs such as IOF.

Finally, while our focus has been to reach NH businesses through programs such as IOF, even more benefits can be realized through the funding of other SBC funded programs, such as those used to increase the efficiency of homes, schools, municipalities, and even state buildings. Therefore, we advocate strongly for the increase in the System Benefits Charge as proposed in HB 423. Thank you for the opportunity to present this testimony.

Respectfully submitted,

Patricia Carrier
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Voting Sheets

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 67

BILL TITLE: **relative to funding for energy efficiency programs.**

DATE: January 29, 2003

LOB ROOM: 304

Amendments:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Sponsor: Rep. OLS Document #:

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep.

Seconded by Rep.

Vote: (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. Hatch

Seconded by Rep. Leach

Vote: 11-0 (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 11-0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Robert E. Introne, Clerk

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on HB 67

BILL TITLE: relative to funding for energy efficiency programs.

DATE: 01/29/03

LOB ROOM: 304

Amendments:

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Sponsor: Rep. _____ OLS Document #: _____ Adopted/Failed

Motions: OTP, OTP/A, (ITL), Interim Study (Please circle one.)

Moved by Rep. WATCH

Seconded by Rep. LEACH

Vote: 11/0 (Please attach record of roll call vote.)

Motions: OTP, OTP/A, ITL, Interim Study (Please circle one.)

Moved by Rep. _____

Seconded by Rep. _____

Vote: _____ (Please attach record of roll call vote.)

CONSENT CALENDAR VOTE: 11/0

(Vote to place on Consent Calendar must be unanimous.)

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep. Robert Introne, Clerk

OFFICE OF THE HOUSE CLERK 2003 SESSION

SCIENCE, TECHNOLOGY AND ENERGY

Bill #: HB67 Title: _____

PH Date: ___/___/___ Exec Session Date: 01/29/03

Motion: ITL Amendment #: _____

MEMBER	YEAS	NAYS
Thomas. John H. Chairman	✓	
Maxfield. Rov D. V Chairman	✓	
Ham. Bonnie	ABSENT	
Harrington. Michael D	ABSENT	
Introne. Robert E	✓	
Leach. Edward R	✓	
Arnold. Thomas I	ABSENT	
Beaton. William A	ABSENT	
Cataldo. Sam A	✓	
Crane. Elenore Casev	✓	
Hatch. Paul R	✓	
Nutter. Edward H	✓	
Ross. Lawrence C	✓	
Slocum. Lee G	✓	
Pitts. Jacqueline A	ABSENT	
Kaen. Naida L	ABSENT	
Harris. Joseph D	✓	
Pelletier. Arthur J	ABSENT	
Poulin. Richard L	ABSENT	
Webber. Amv C	ABSENT	
TOTAL VOTE: Printed: 1/6/2003	11	0

Committee Report

COMMITTEE REPORT

COMMITTEE: **Science, Technology and Energy**

BILL NUMBER: **HB 67**

TITLE: relative to funding for energy efficiency programs.

DATE: January 29, 2003 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

The bill requires funds allocated from the system benefits charge for the Public Service Company of New Hampshire energy efficiency program be placed in a revolving loan fund to provide loans to ratepayers for energy-efficiency projects and products. This bill also phases out the energy efficiency program allocation over three years. The committee believes the pilot programs created have been beneficial, but feel the programs have not been in effect long enough to determine the full value of the programs and savings to ratepayers. The committee recommends the bill as ITL and feels it is premature to phase out the funding and end the pilot Pay as You Save program (PAYS), suggesting the collection of more data during the next year will be beneficial in determining the effectiveness of the Energy Efficiency Program. The program uses no General Fund revenues, and is funded at a rate of $0.0018 per kilowatt-hour as part of the system benefits charge.

Vote 11-0.

Rep. Paul R. Hatch
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT

CONSENT CALENDAR

Science, Technology and Energy

HB 67, relative to funding for energy efficiency programs. **INEXPEDIENT TO LEGISLATE**

Rep. Paul R. Hatch for Science, Technology and Energy: The bill requires funds allocated from the system benefits charge for the Public Service Company of New Hampshire energy efficiency program be placed in a revolving loan fund to provide loans to ratepayers for energy-efficiency projects and products. This bill also phases out the energy efficiency program allocation over three years. The committee believes the pilot programs created have been beneficial, but feel the programs have not been in effect long enough to determine the full value of the programs and savings to ratepayers. The committee recommends the bill as ITL and feels it is premature to phase out the funding and end the pilot Pay as You Save program (PAYS), suggesting the collection of more data during the next year will be beneficial in determining the effectiveness of the Energy Efficiency Program. The program uses no General Fund revenues, and is funded at a rate of $0.0018 per kilowatt-hour as part of the system benefits charge. **Vote 11-0**.

Blurb HB67

Rep. Paul R. Hatch Science, Technology and Energy: HB67 requires funds allocated from the system benefits charge for the Public Service Company of New Hampshire energy efficiency program be placed in a revolving loan fund to provide loans to ratepayers for energy-efficiency projects and products. This bill also phases out the energy efficiency program allocation over 3 years.

The committee believes the pilot programs created have been beneficial, but feel the programs have not been in effect long enough to determine the full value of the programs and savings to rate payers. The committee ~~voted 12 to 0~~ to recommend the bill as INEXPEDIENT TO LEGISLATE and feels it is premature to phase out the funding and end the pilot (PAYS) Pay as You Save program, suggesting the collection of more data during the next year will be beneficial in determining the effectiveness of the Energy Efficiency Program. The program uses no General Fund revenues, and is funded at a rate of $0.0018 per kilowatt-hour as part of the system benefits charge.

Vote 12-0

COMMITTEE REPORT

COMMITTEE: **SCIENCE, TECHNOLOGY AND ENERGY**

BILL NUMBER: **HB 67**

TITLE: relative to funding for energy efficiency programs.

DATE: 01/29/03 CONSENT CALENDAR YES ☒ NO ☐

☐ OUGHT TO PASS

☐ OUGHT TO PASS WITH AMENDMENT

☒ INEXPEDIENT TO LEGISLATE

☐ REFER TO COMMITTEE FOR INTERIM STUDY
(Available only in second year of biennium.)

STATEMENT OF INTENT
(Include Committee Vote)

Vote 11/0.

Rep. INTRONE
FOR THE COMMITTEE

Original: House Clerk
cc: Committee Bill file

USE ANOTHER REPORT FOR MINORITY REPORT