Rep. Vose, Rock. 5
Rep. D. Thomas, Rock. 16
Rep. McGhee, Hills. 35
April 17, 2023
2023-1399h
10/05

Amendment to SB 113-FN

Amend the title of the bill by replacing it with the following:

AN ACT relative to the electric utility system benefits charge.

Amend the bill by inserting after section 1 the following and renumbering the original section 2 to read as 3:

2 System Benefits Charge; Adjustment; Energy Efficiency Portion. Amend RSA 374-F:3,VI-a(d)(2) to read as follows:

(2) System benefits charge and local distribution adjustment charge funding levels. For the year 2022, the energy efficiency portion of the system benefits charge shall be set at the level for 2020 authorized in Order No. 26,323 dated December 31, 2019. The energy efficiency portion of the local distribution adjustment charge shall be set at the level for 2020 authorized in Order No. 26,306 dated October 31, 2019, for Liberty Utilities (Energy North Natural Gas) Corp. and in Order No. 26,303 dated October 29, 2019, for Northern Utilities, Inc. The energy efficiency portion of the system benefits charge and local distribution adjustment charges shall adjust annually beginning January 1, 2023, and shall be calculated using the most recently available 3-year average of the consumer price index (CPI-W) as published by the Bureau of Labor Statistics of the United States Department of Labor [~~plus 0.25 percent all as calculated~~] ***as determined and verified*** by the department of energy. Utilities subject to commission rate regulation shall submit tariff amendments altering solely the system benefits charge and local distribution adjustment charge as described, reconciled for over and under collections already occurred, as soon after the effective date of this subparagraph as possible, and every December 1 for the upcoming year thereafter.

2023-1399h

AMENDED ANALYSIS

This bill clarifies the public utility commission's review of criteria for cost effectiveness in the joint utilities energy efficiency plans, and changes the calculation of the energy efficiency portion of the system benefits charge.

SB 113-FN - AS INTRODUCED

2023 SESSION

23-0803
10/08

SENATE BILL ***113-FN***

AN ACT relative to cost effectiveness review of the joint utility energy efficiency plan.

SPONSORS: Sen. Avard, Dist 12; Sen. Ricciardi, Dist 9; Sen. Watters, Dist 4; Sen. Innis, Dist 7; Sen. Bradley, Dist 3; Sen. Birdsell, Dist 19; Sen. Carson, Dist 14; Sen. Pearl, Dist 17

COMMITTEE: Energy and Natural Resources

ANALYSIS

This bill clarifies the public utility commission's review of criteria for cost effectiveness in the joint utilities energy efficiency plans.

- -

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.

SB 113-FN - AS INTRODUCED

23-0803
10/08

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to cost effectiveness review of the joint utility energy efficiency plan.

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

1 System Benefits; Energy Efficiency Plans. Amend RSA 374-F:3, VI-a (d)(4) to read as follows:

(4) Cost effectiveness. For the purpose of the March 1, 2022 filing, and future plan offerings, the commission's review of the cost effectiveness shall be based upon the latest completed and available Avoided Energy Supply Cost Study for New England, the results of any Evaluation, Measurement, and Valuation studies contracted for by the department of energy or joint utilities, incorporate savings impacts associated with free-ridership for those programs and measures where such free-ridership may have a material impact on savings figures, and use the Granite State Test as the primary test, with the addition of the Total Resource Cost test as a secondary test. The commission shall use benefit per unit cost as only one factor in considering whether the utilities have prioritized program offerings appropriately among and within customer classes. In no instance shall an electric utility's planned electric system savings fall below 65 percent of its overall planned ***annual*** energy savings.

2 Effective Date. This act shall take effect 60 days after its passage.

LBA
23-0803
Revised 2/6/23

SB 113-FN- FISCAL NOTE
AS INTRODUCED

AN ACT relative to cost effectiveness review of the joint utility energy efficiency plan.

FISCAL IMPACT: [ ] State [ ] County [ ] Local [X] None

METHODOLOGY:

This bill clarifies the public utility commission's review of criteria for cost effectiveness in the joint utilities energy efficiency plans. The Public Utilities Commission has indicated this bill will have no impact on state, county or local revenue or expenditures.

AGENCIES CONTACTED:

Public Utilities Commission

CONSENT CALENDAR

April 18, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Committee on Science, Technology and Energy to which was referred SB 113-FN,

AN ACT relative to cost effectiveness review of the joint utility energy efficiency plan. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Michael Vose

FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

COMMITTEE REPORT

Committee:	**Science, Technology and Energy**
Bill Number:	**SB 113-FN**
Title:	**relative to cost effectiveness review of the joint utility energy efficiency plan.**
Date:	**April 18, 2023**
Consent Calendar:	**CONSENT**
Recommendation:	**OUGHT TO PASS WITH AMENDMENT 2023-1399h**

STATEMENT OF INTENT

This bill requires the Public Utilities Commission (PUC) to apply a 65% requirement on triennial energy efficiency programs for electricity savings on an annual basis only, not over an efficiency project's lifetime, as was specified by the PUC in its order approving programs established by HB 549 in 2022. The committee amendment removes language also resulting from HB 549 that added a small percentage increase to the three-year consumer price index (CPI) adjustment for the systems benefits charge used to fund energy efficiency programs that begin in 2024. The amendment strengthens one guardrail that curbs runaway growth in the systems benefits charge, while weakening the other guardrail, a bipartisan compromise on these protections.

Vote 20-0.

Rep. Michael Vose
FOR THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

CONSENT CALENDAR

Science, Technology and Energy

SB 113-FN, relative to cost effectiveness review of the joint utility energy efficiency plan. **OUGHT TO PASS WITH AMENDMENT.**

Rep. Michael Vose for Science, Technology and Energy. This bill requires the Public Utilities Commission (PUC) to apply a 65% requirement on triennial energy efficiency programs for electricity savings on an annual basis only, not over an efficiency project's lifetime, as was specified by the PUC in its order approving programs established by HB 549 in 2022. The committee amendment removes language also resulting from HB 549 that added a small percentage increase to the three-year consumer price index (CPI) adjustment for the systems benefits charge used to fund energy efficiency programs that begin in 2024. The amendment strengthens one guardrail that curbs runaway growth in the systems benefits charge, while weakening the other guardrail, a bipartisan compromise on these protections. **Vote 20-0.**

Original: House Clerk
Cc: Committee Bill File

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

PUBLIC HEARING ON SB 113-FN

BILL TITLE: **(New Title) relative to the electric utility system benefits charge.**

DATE: **April 10, 2023**

LOB ROOM: **302-304** **Time Public Hearing Called to Order:** **9:10 a.m.**

Time Adjourned: **10:05 a.m.**

Committee Members: Reps. Vose, D. Thomas, Bernardy, Notter, Harrington, Merner, Lewicke, Berezhny, Ploszaj, Summers, McGhee, McWilliams, Chretien, Parshall, Caplan, Muns, Noel, W. Thomas, Cormen and Raynolds

Bill Sponsors:

Sen. Avard	**Sen. Ricciardi**	**Sen. Watters**
Sen. Innis	**Sen. Bradley**	**Sen. Birdsell**
Sen. Carson	**Sen. Pearl**	

TESTIMONY

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

Senator Avard introduced
- Cited bill that restored funding for the NH Saves program (HB549 last year)
- One word change

Griffin Roberge - DOE
- Neutral
- PUC issued #26553 after incentives all electric companies must pay for energy efficiency program #26621 order (defined)

Question - Rep Vose asked about 65% saving and asked for clarity
Question - Rep Thomas asked about westernization breaking down over time and how it affects the lifetime vs annual savings

Question - Rep McGhee asked DOE to speak to benefits to people doing electric/non-electric
Question - Rep Wendy Thomas asked why DOE is neutral instead of support. She works for NH Saves - are benefits from bills like this?

Matt Mayberry - NH Home Builders Assoc.
- 36,000 residents work in this field
- Supports

Michael Licata - Eversource
- 65% per year over lifetime - It doesn't match up
- It depends on the life of the thermal

Rep Corman
- Gave scenario of an appliance and insulation

Question - Rep Thomas - Are all projects equal?
Rep McGhee - 65% of electric customers
Rep Muns - Is there anything magical about the 65%?
Rep Berezhny - Asked to have the equation explained again. Weatherization. MBTU Annual and lifetime? A refrigerator - after 7 years it drops off (efficiency).

Rep Chretien - Asked about electrification for heat
Rep Cormen - Has 3 sources of heat at his house. Wondered how to calculate the efficiency
Rep McGhee - Annual savings required to track

Michael Crouse - Consumer Advocate
- Supports

Joel Maiola - NH Electric co-op
- Supports

***Nick Krakoff** - Conservation Law Foundation
- Supports
- Comments by Chretien and Raynolds
- No one seems to know where the number 65% came from

Ray Burke - NH Legal Assistance
- Supports
- Mentioned wait list for EE

Rep Lewike - Who benefits from this?
Ray Burke - Renters can benefit with permission from the owner of the housing provider

Sam Evans-Brown - Clean Energy NH
- Workforce to do this
- Work is hard to maintain

Respectfully submitted,

Rep JD Bernardy, Clerk

House Remote Testify

Science, Technology and Energy Committee Testify List for Bill SB113 on 2023-04-10

Support: 49 Oppose: 0 Neutral: 0 Total to Testify: 0

Export to Excel

Name	City, State Email Address	Title	Representing	Position	Testifying	Non-Germane	Signed Up
Smith, Julie	Nashua, NH cantdog@comcast.net	A Member of the Public	Myself	Support	No	No	3/30/2023 1:46 PM
Watters, David	Dover, NH david.watters@leg.state.nh.us	An Elected Official	Myself	Support	No	No	4/4/2023 1:09 PM
Vought, Christopher	Manchester, NH voughtc@gmail.com	A Member of the Public	Myself	Support	No	No	4/6/2023 2:53 PM
Krakoff, Nick	Concord, NH nkrakoff@clf.org	A Lobbyist	Conservation Law Foundation	Support	No	No	4/7/2023 4:09 PM
Richardson, Daniel	Nashua, NH daniel6_22@comcast.net	A Member of the Public	Myself	Support	No	No	4/8/2023 1:58 PM
Clemsen-Roberts, Alyssa	Plymouth, NH clemsenrobertsa@nhec.com	A Member of the Public	NH Electric Co-op	Support	No	No	4/8/2023 10:29 PM
Liebowitz, Susan	Plainfield, NH supawali@hotmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 11:37 AM
Wightman, Nancy	Cornish, NH Nwlaststraw@gmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 12:40 PM
Casino, Joanne	Concord, NH joannecasino@comcast.net	A Member of the Public	Myself	Support	No	No	4/9/2023 6:40 PM
Damon, Claudia	Concord, NH cordsdamon@gmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 6:53 PM
Blanchard, Sandra	Loudon, NH sandyblanchard3@gmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 7:07 PM
Beauchain, Brenda	Fremont, NH bbfly728@yahoo.com	A Member of the Public	Myself	Support	No	No	4/9/2023 7:09 PM
Beauchain, Edward	Fremont, NH ed@forwater.com	A Member of the Public	Myself	Support	No	No	4/9/2023 7:33 PM

Koch, Kirsten	Concord, NH kkoch@biaofnh.com	A Lobbyist	Business & Industry Association of NH (BIA)	Support	No	No	4/9/2023 7:49 PM
Longley, Margaret	sandwich, NH peggylongley@sbcglobal.net	A Member of the Public	Myself	Support	No	No	4/9/2023 8:31 PM
Perencevich, Ruth	Concord, NH rperence@comcast.net	A Member of the Public	Myself	Support	No	No	4/9/2023 8:39 PM
kwasnik, joseph	concord, NH jkwasnik25@gmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 8:56 PM
Richman, Susan	Durham, NH susan7richman@gmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 9:16 PM
berk, bruce	Pittsfield, NH bruce.berk.nh@gmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 9:30 PM
Reardon, Donna	Concord, NH Bugs42953@gmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 10:04 PM
Steel, Sandy	PLAINFIELD, NH selizabethsteel@gmail.com	A Member of the Public	Myself	Support	No	No	4/9/2023 11:03 PM
Ellermann, Maureen	Concord, NH ellermannf@aol.com	A Member of the Public	Myself	Support	No	No	4/10/2023 6:13 AM
Bushueff, Catherine	Sunapee, NH agawamdesigns@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 6:28 AM
Walker, Deborah	Meredith, NH Deb.publichealth@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 7:10 AM
Russman, Rick	Kingston, NH richardrussman@gmail.com	An Elected Official	Myself	Support	No	No	4/10/2023 7:59 AM
Watters, Senator David	Dover, NH david.watters@leg.state.nh.us	An Elected Official	Myself	Support	No	No	4/10/2023 8:11 AM
Willing, Maura	Concord, NH Maura.Willing@Comcast.net	A Member of the Public	Myself	Support	No	No	4/10/2023 8:43 AM
Hatfield, Meredith	Concord, NH meredith.hatfield@tnc.org	A Lobbyist	The Nature Conservancy NH	Support	No	No	4/10/2023 9:07 AM
Beffa-Negrini, Patricia	Nelson, NH pbeffa@me.com	A Member of the Public	Myself	Support	No	No	4/10/2023 9:45 AM
Jones, Andrew	Pembroke, NH arj11718@yahoo.com	A Member of the Public	Myself	Support	No	No	4/10/2023 9:57 AM
Devore, Gary	Pembroke, NH torin_asheron@yahoo.com	A Member of the Public	Myself	Support	No	No	4/10/2023 10:01 AM

Robinson, Steven	Northwood, NH Nikkiandme@yahoo.com	A Member of the Public	Myself	Support	No	No	4/10/2023 10:22 AM
Brennan, Nancy	Weare, NH burningnan14@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 10:29 AM
Brennan, Arthur	Weare, NH arete201314@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 10:30 AM
Robinson, Karen	Northwood, NH KarenRobinson578@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 10:37 AM
Cote, Lois	Manchester, NH, NH lcote06@outlook.com	A Member of the Public	Myself	Support	No	No	4/10/2023 10:50 AM
Englund, Alfrieda	Munsonville, NH ditaenglund43@gmail.com	An Elected Official	Myself	Support	No	No	4/10/2023 11:56 AM
Ufford, Letitia	Hanover, NH letitia.ufford@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 1:11 PM
Moore, Susan	Franconia, NH susan.moore.franconia@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 1:30 PM
Bissex, Hannah	Rindge, NH hannahinrindge@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 3:21 PM
Hershey, Jane	Rindge, NH janelhershey@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 3:22 PM
Merlone, Lynn	Rindge, NH prulone@gmail.com		Myself	Support	No	No	4/10/2023 3:22 PM
Hatch, Sally	Concord, NH sallyhatch@comcast.net	A Member of the Public	Myself	Support	No	No	4/10/2023 5:15 PM
Spencer, Louise	Concord, NH lpskentstreet@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 7:43 PM
Rettew, Ann	Concord, NH abrettew@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 8:36 PM
Thomas, A	Rindge, NH annekerosie@gmail.com	A Member of the Public	Myself	Support	No	No	4/10/2023 8:57 PM
Holt, David	Somersworth, NH davholt@aol.com	A Member of the Public	Myself	Support	No	No	4/10/2023 8:57 PM
Martin, Patricia	Rindge, NH pmartin2894@yahoo.com	A Member of the Public	Myself	Support	No	No	4/10/2023 9:29 PM
Racusin, Sharon	Hanover, NH sdracusin@gmail.com	A Member of the Public	Myself	Support	No	No	4/11/2023 8:41 AM

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill #: SB113 Date: 4/10/23

Committee: Science

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

Name	Address	Phone	Representing	Pro	Con
Nick Krakoff	Concord	207-691-7970	CLF	X	
Joel Maidon	Bedford	603-496-3417	NH Elec. Co-op	X	
Sam Evans-Brain	Concord	603.498.3244	Clean Energy NH	X	
Raymond Burke	Concord	603-206-2214	NHLA	X	
David Cuzzi	Concord	603-716-0569	NH Elec. Co-Op	X	
Dan Weeks	Nashua	603-264-2877	ReVision Energy	X	
JOE KWASNIK	Concord	603-730-7148	SELF	X	
RAY BRESLIN	LONDONDERRY	603-548-5750	SELF	STUDY	

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

SUBCOMMITTEE WORK SESSION on SB 113-FN

BILL TITLE: relative to cost effectiveness review of the joint utility energy efficiency plan.

DATE: April 17, 2023

Subcommittee Members: Reps. Vose, D. Thomas, Bernardy, Notter, Harrington, Merner, Lewicke, Berezhny, Ploszaj, Summers, McGhee, McWilliams, Chretien, Parshall, Caplan, Muns, Noel, W. Thomas, Cormen and Raynolds

Comments and Recommendations: Amendment compensates for other change in bill

Respectfully submitted,

Rep. JD Bernardy
Subcommittee Clerk

clf
conservation law foundation

For a thriving New England

CLF New Hampshire
27 North Main Street
Concord, NH 03301
P: 603.225.3060
F: 603.225.3059
www.clf.org

April 10, 2023

By Electronic Mail

The Hon. Michael Vose, Chair
Science, Technology and Energy Committee
N.H. House of Representatives
Concord, NH 03301

Re: SB 113, relative to cost effectiveness review of the joint utility energy efficiency plan.

Dear Chairman Vose and Honorable Committee Members,

Conservation Law Foundation (CLF) appreciates the opportunity to comment on SB 113, which clarifies the Public Utilities Commission's cost-effectiveness review of joint utility triennial energy efficiency plans (NH Saves plans). CLF is a non-profit environmental advocacy organization working in New Hampshire and across the region for healthy communities and a healthy environment, including advancing sound clean energy policies that reduce pollution and strengthen the state's economic vitality.

The Significant Economic Benefits of Energy Efficiency

Since 2002, energy efficiency measures in New Hampshire have resulted in billions of dollars in cumulative customer energy bill savings.[1] In fact, the State of New Hampshire saved $45 million from energy efficiency programs from FY2009 to FY2020.[2] Energy efficiency services relating to the implementation of NH Saves programs also support thousands of full-time jobs.[3]

SB 113 Merely Seeks to Accomplish the Purpose of Prior Legislation Passed by the General Court

During the 2022 legislative session, the NH Senate and NH House of Representatives overwhelmingly passed HB 549, which set a stable funding level for NH Saves plans going forward and clarified the Public Utilities Commission's cost-effectiveness review of such plans. The intent of the cost-effectiveness provision was to clarify that the cost-effectiveness tests used by the Commission to

[1] 2021-2023 New Hampshire Statewide Energy Efficiency Plan, at 18, filed September 1, 2020, *available at* https://www.puc.nh.gov/regulatory/Docketbk/2020/20-092/INITIAL%20FILING%20-%20PETITION/20-092_2020-09-01_NHUTILITIES_EE_PLAN.PDF.
[2] DES Press Release, February 11, 2021, *available at* https://www.des.nh.gov/news-and-media/nh-state-government-energy-management-efforts-avoid-over-45-million-energy-costs .
[3] 2021-2023 New Hampshire Statewide Energy Efficiency Plan, at 19.

clf

conservation law foundation

evaluate prior NH Saves plans should be continued for both the 2022-23 plan, as well as subsequently filed plans.

However, following passage of HB 549, the Public Utilities Commission interpreted a provision in the legislation—regarding the percentage of an electric utility's planned energy savings that must come from reductions in electricity use as opposed to other fuels—to effectively defeat HB 549's purpose of requiring the Commission to employ the same cost-effectiveness tests when reviewing subsequent NH Saves plans as it used for earlier plans. The Commission's interpretation essentially precludes the utilities from investing in most weatherization programs, despite the popularity of weatherization programs and the fact that investments in weatherization are one of the most cost-effective ways to increase overall energy efficiency. The utilities' inability to invest in weatherization programs under the current language in HB 549 (as interpreted by the Commission) especially harms low-income households, which spend a disproportionate amount of income on energy expenses and can experience substantial reductions in monthly energy expenses through weatherizing their homes.

In passing HB 549, the legislature sought to place NH Saves programs—including weatherization programs—on a stable funding path going forward. SB 113 merely seeks to achieve the original purpose of HB 549 of requiring the Public Utilities Commission to employ the same cost-effectiveness tests it had employed to review prior NH Saves plans and would enable the utilities to continue to invest in popular and cost-effective weatherization programs that provide significant reductions in monthly energy expenses for New Hampshire families and businesses. Accordingly, the Committee is urged to support SB 113 and vote "ought to pass."

Sincerely,

/s/ Nick Krakoff

Nick Krakoff
Senior Attorney
Conservation Law Foundation
27 North Main Street
Concord, NH 03301

your New Hampshire Electric Co-op

579 Tenney Mountain Highway
Plymouth, NH 03264-3154
www.nhec.com
603-536-1800

April 7, 2023

The Honorable Michael Vose, Chair
Committee on Science, Technology, and Energy
New Hampshire House of Representatives
Legislative Office Building, Room 304
33 North State Street
Concord, NH 03301

RE: Support of SB 113

Dear Chairman Vose and Members of the Committee:

The New Hampshire Electric Cooperative (the Co-op) strongly supports SB 113, relative to cost effectiveness review of the joint utility energy efficiency plan.

Last year, in response to an order from the Public Utilities Commission (PUC) severely restricting the NH Saves energy efficiency program, the Legislature passed HB 549. HB 549 restored funding for the NH Saves programs and provided clarity on program administration going forward. However, a subsequent PUC interpretation of HB 549 again puts state support for weatherization at risk and diminishes the value of the programs to customers.

Contained within HB 549 was a new requirement that the programs' planned electric savings must be at least 65% of the programs' overall savings. Because HB 549 did not specify whether annual or lifetime savings should be used in the calculation, the PUC interpreted this new requirement to apply to both the planned lifetime and annual savings of the programs. This determination came despite stakeholders making clear in PUC proceedings that the unambiguous legislative intent of HB 549 was to apply the legislative change only to annual savings.

The PUC's interpretation limits the NH Saves programs' effectiveness and reduces benefits to customers. Savings from weatherization improvements are realized for decades, not years. As such, it is difficult to balance the percentage of lifetime electric savings at 65%. This is especially true of the cooperative, because our membership has a significantly higher percentage of residential customers than the state's other utilities. Adding "annual" to the savings requirement, as proposed by SB 113, would restore these programs as the Legislature intended last year.

Thank you for your consideration of the Co-op's strong support of SB 113. Please do not hesitate to contact me with any questions.

Sincerely,

Alyssa Clemsen Roberts

Alyssa Clemsen Roberts
President and Chief Executive Officer

Monday, May 1st - I can't be here

CLEAN ENERGY NH
Your Voice in All Energy Matters

14 Dixon Ave, Suite 202 | Concord, NH 03301 | 603.226.4732

April 10, 2023

Representative Michael Vose, Chair
House Science, Technology, and Energy Committee
Legislative Office Building, Room 304
Concord, NH 03301

Testimony on SB 113, relative to cost effectiveness review of the joint utility energy efficiency plan

Dear Chairman Vose and members of the Committee,

CENH strongly supports SB 113 as submitted, which would ensure the sustained funding and policy continuity of New Hampshire's energy-efficiency programs, which operate under the banner "NHSaves". This modest legislative change corrects the NH Public Utilities Commission's (PUC) interpretation of the language in HB 549 (2022) to match the legislature's intent. The addition of a single word to statute in SB 113 would simply codify what was the long-standing methodology for calculating the costs and benefits of energy-efficiency programs delivered by the NH energy utilities. The change is needed to assure that some of the state's most cost-effective and popular energy efficiency offerings remain funded at their existing levels and can deliver the same benefit to the New Hampshire Economy.

Without this bill, the weatherization programs that are accessed by the largest number of NH residents would suffer drastic budget cuts. **SB113 provides New Hampshire's energy-efficiency programs, and its participants and workforce, with a reasonable and much needed solution.**

By way of background, in November of 2021 the PUC issued Order No. 26,553[1] which attempted to dismantle NHSaves almost entirely. In reaction to the bipartisan backlash to this extreme decision, the General Court passed HB549 unanimously, resoundingly voting to put NHSaves back on track. However, the following spring, the PUC issued an Order No. 26,621[2] approving the NH energy utilities' plan through 2023. In that order, the PUC changed their long-standing interpretation of the statutorily-mandated cost-benefit test, and asserted that each utility's planned electric savings shall not fall below 65 percent of overall ***lifetime*** planned

[1] https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-092/ORDERS/20-092_2021-11-12_ORDER-26553.PDF
[2] https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-092/ORDERS/20-092_2022-04-29_ORDER-26621.PDF

energy savings. Previously the NH electric utilities had been performing such a calculation on an ***annual*** basis. This new interpretation would only be applied to the upcoming, 2024-2026 Triennial Energy Efficiency plan.

While this change may seem trivial, electric efficiency projects—such as installing new, more efficient motors or compressors—have a shorter lifetime. Non-electric projects are longer-lived and can deliver savings for two decades or more. This means the effect of this decision will be to require the utilities to pursue harder to reach, less cost-effective electric efficiency projects to boost the electric savings while reducing the funding invested in cost-effective and popular weatherization programs.

The PUC's interpretation of the 65 percent savings requirement has again thrown the building and efficiency contractors business plans into turmoil. This is the same critical workforce that is still recovering from the chaos the PUC caused in delaying the approval of the previous three-year efficiency plan and then rejecting that plan outright. These contractors are experiencing record demand for their services, due to the current energy price shock we are still undergoing, but are unwilling to hire more workers, because they fear that the PUC will once again seek to dismantle NHSaves.

Energy efficiency provides substantial financial benefit. Eversource estimated that total customer energy savings from measures installed during 2018-2020 will total over $830 million. The benefit-to-cost ratio of these investments is very favorable, nearly always greater than 2:1 and frequently greater than 3:1. It is important to note that the maximization of all cost-effective energy efficiency is consistent with the State of New Hampshire's Energy Strategy, and the passage of HB 549 allowed for real progress towards that goal. The PUC's arbitrary application of a lifetime calculation makes achieving such returns on investments is harder to achieve.

Energy efficiency provides all ratepayers with price volatility protection. In 2021, NH residents spent over $471 million on natural gas,[3] and far more in 2022 as gas prices skyrocketed.[4] Even as natural gas prices have fallen from their highs in 2022, they are projected to remain higher than the 2021 average through 2025.[5] New England electricity prices are highly correlated with gas prices, and as a result NH is enduring record high electric supply rates. The most powerful policy tool New Hampshire has to dampen these rate shocks and provide long term relief is to reduce the overall demand for energy.

---

[3] EIA (2023). New Hampshire State Energy Profile. https://www.eia.gov/state/print.php?sid=NH
[4] EIA (2023). EIA forecasts lower wholesale U.S. natural gas prices in 2023 and 2024. https://www.eia.gov/todayinenergy/detail.php?id=55219. Accessed January 28, 2023.
[5] EIA (2023). EIA forecasts lower wholesale U.S. natural gas prices in 2023 and 2024. https://www.eia.gov/todayinenergy/detail.php?id=55219. Accessed January 28, 2023.

This efficiency workforce is skilled and must be retained to continue offering efficiency programs in the future. Thousands of Granite Staters are already employed by efficiency contractors. These contractors are often small, local businesses that offer excellent career opportunities to attract a growing workforce to New Hampshire. Research by the Political Economy Research Institute (PERI) for the state of Colorado estimated that for every million dollars invested in building retrofits, there were 6.2 direct jobs created, 2.7 indirect jobs and 3.3 induced jobs. Many contractors offer long-term career development opportunities, health care/retirement/disability/paid time off benefits to their employees, and often do not require college education as a prerequisite to employment in this high paying industry.

SB 113 puts the current and future prosperity of the Granite State first by providing opportunities for economic growth and stability, high paying jobs, and local investments. As we heard from local businesses during the hearings associated with HB 549 (2022) and PUC public hearings, our energy-efficiency programs are a welcomed economic stimulus, not a cost to bear during difficult economic times.

As an ardent supporter of the energy-efficiency programs in NH, CENH strongly supports SB 113 for the reasons described above and asks you to find that this bill ought to pass as amended.

Sincerely,

Sam Evans-Brown



Executive Director

Clean Energy NH is a 501(c)(3) nonprofit organization. Our membership includes 130+ businesses, 34 municipal members—comprising over 300,000 NH citizens—and 400+ individuals in every corner of the Granite State. We advocate for the adoption of clean energy initiatives through a non-partisan, fact-based lens.

HOUSE COMMITTEE ON SCIENCE, TECHNOLOGY AND ENERGY

EXECUTIVE SESSION on SB 113-FN

BILL TITLE: relative to cost effectiveness review of the joint utility energy efficiency plan.

DATE: April 18, 2023

LOB ROOM: 302-304

MOTIONS: OUGHT TO PASS WITH AMENDMENT

Moved by Rep. Vose | Seconded by Rep. McGhee | AM Vote: 20-0

Amendment # 2023-1399h

Moved by Rep. Vose | Seconded by Rep. McGhee | Vote: 20-0

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep JD Bernardy, Clerk

OFFICE OF THE HOUSE CLERK

1/31/2023 2:59:26 PM
Roll Call Committee Registers Report

2023 SESSION

Science, Technology and Energy

Bill #: SB 113 Motion: OTPA AM #: 1399e Exec Session Date: 18 Apr 2023

Members	YEAS	Nays	NV
Vose, Michael Chairman	X		
Thomas, Douglas W. Vice Chairman	X		
Notter, Jeanine M.	X		
Harrington, Michael D.	X		
Merner, Troy E.	X		
Lewicke, John	X		
Berezhny, Lex	X		
Bernardy, JD Clerk	X		
Ploszaj, Tom	X		
Summers, James	X		
McGhee, Kat	X		
McWilliams, Rebecca J.	X		
Chretien, Jacqueline H.	X		
Parshall, Lucius	X		
Caplan, Tony	X		
Muns, Chris	X		
Noël, Henry W.	X		
Thomas, Wendy E.N.	X		
Cormen, Thomas H	X		
Raynolds, Ned	X		
TOTAL VOTE:	20	0	

1/31/2023 2:59:26 PM
Roll Call Committee Register Report

2023 SESSION

Science, Technology and Energy

Bill #: SB 113 Motion: OTP AM #: 1359h Exec Session Date: 18 Apr 2023

Members	YEAS	Nays	NV
Vose, Michael Chairman	X		
Thomas, Douglas W. Vice Chairman	X		
Notter, Jeanine M.	X		
Harrington, Michael D.	X		
Merner, Troy E.	X		
Lewicke, John	X		
Berezhny, Lex	X		
Bernardy, JD Clerk	X		
Ploszaj, Tom	X		
Summers, James	X		
McGhee, Kat	X		
McWilliams, Rebecca J.	X		
Chretien, Jacqueline H.	X		
Parshall, Lucius	X		
Caplan, Tony	X		
Muns, Chris	X		
Noël, Henry W.	X		
Thomas, Wendy E.N.	X		
Cormen, Thomas H	X		
Raynolds, Ned	X		
TOTAL VOTE:	20	0	