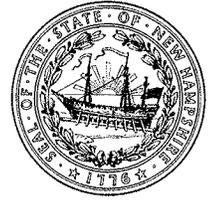




The State of New Hampshire  
**DEPARTMENT OF ENVIRONMENTAL SERVICES**



**Thomas S. Burack, Commissioner**

January 30, 2013

Mr. Russell Prescott, Chairman  
Senate Energy and Natural Resources Committee  
Legislative Office Building, Room 102  
Concord, NH 03301

Re: SB 74: Relative to Hot Water from District Energy Systems

Dear Chairman Prescott and Members of the Committee:

The Department of Environmental Services (DES) appreciates the opportunity to comment in support of SB 74, relative to hot water from district energy systems. This bill seeks to exempt hot water companies from the definition of the term “public utility” if they manufacture, furnish, or sell hot water through a district energy system that makes use in whole or in part of the waste heat from person or entity being supplied by that system.

District energy systems produce electricity, hot water, steam and/or chilled water at a central plant and then distribute the energy through underground wires and pipes to adjacent buildings connected to the system. Electricity is used to energize lights, appliances, equipment and machinery, while hot and chilled water and steam are used for space heating and cooling and a variety of commercial/industrial processing needs. A district energy system can provide higher efficiencies and better pollution control than localized boilers, thus offering excellent opportunities for reducing both environmental pollution and energy use in a very cost effective manner.

Some district energy systems do not capture all the energy generated by the system. DES supports SB 74 as it encourages entities to capture waste heat to generate hot water, reducing the pollution emitted and energy loss that would have occurred absent this additional energy capture. Additionally, allowing hot water capture from these systems without the requirements that would be imposed on a regulated utility could make construction of a new district energy system more cost effective and attractive and thus encourage the development of more such systems in the state. District energy systems may be fueled from biomass, a local renewable energy source, which would then be eligible to generate renewable energy credits under the thermal energy provision of the state’s Renewable Portfolio Standard.

Thank you for your consideration in this matter, Should you have any questions or require further information, please contact Craig Wright, Acting Director of the Air Resources Division ([craig.wright@des.nh.gov](mailto:craig.wright@des.nh.gov), 271-1088) or Michael Fitzgerald, Administrator, Technical Services Bureau ([michael.fitzgerald@des.nh.gov](mailto:michael.fitzgerald@des.nh.gov), 271-6390).

Sincerely,



Thomas S. Burack  
Commissioner

cc: SB 74 sponsors  
Amy Ignatius, Commissioner, Public Utilities Commission