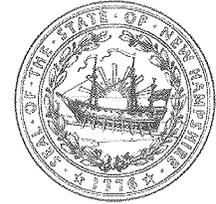




The State of New Hampshire  
**Department of Environmental Services**

**Thomas S. Burack, Commissioner**



February 12, 2015

The Honorable Robert Introne, Chair  
House Science, Technology, and Energy Committee  
Legislative Office Building, Room 304  
Concord, NH 03301

**Re: HB 574, An Act Relative to Regional Greenhouse Gas Initiative Distributions to Residential Customers**

Dear Chair Introne and Members of the Committee:

Thank you for the opportunity to comment on behalf of the Department of Environmental Services (DES) regarding House Bill 574. This bill would distribute the remainder of Regional Greenhouse Gas Initiative (RGGI<sup>1</sup>) Energy Efficiency Funds (pursuant to RSA 125-O:23, III(c)) only to commercial and industrial customers, and would eliminate distribution to residential customers. DES understands an amendment will be proposed for this bill that would have residential ratepayer allocations supplement the low-income core utility-led energy efficiency program. DES would support the bill should such an amendment be made.

The “*NH Greenhouse Gas Emissions Reduction Fund Annual Evaluation (July 2011 – June 2012)*”<sup>2</sup> indicated that each dollar invested in energy efficiency resulted in \$4.95 in energy savings. One criticism heard during previous years’ House debates was that investments of state proceeds from RGGI allowance auctions are perceived as beneficial only to those individuals, municipalities, and businesses directly receiving RGGI grants. To the contrary, any investment of RGGI proceeds in energy efficiency directly benefits *all* New Hampshire citizens and ratepayers by reducing the overall demand for electricity, which in turn reduces the additional capital investment needed by electricity providers to meet increased demand. In particular, the high cost of “peaking” plants to meet demands on the hottest days of the year are reduced or avoided. All of these costs are ultimately passed on to all New Hampshire consumers, so keeping them low is in the best interests of all citizens, businesses, and municipalities. Thus, all investments in energy efficiency, regardless of where they are made, ultimately reduce costs for everybody.

DES supports prioritized distribution of energy efficiency funding to those customers (i.e., low-income residential customers) that need the funds the most, followed by programs for municipal

<sup>1</sup> RGGI, Inc. website <http://www.rggi.org>

<sup>2</sup> “*NH Greenhouse Gas Emissions Reduction Fund Annual Evaluation (July 2011 – June 2012)*”  
[http://puc.nh.gov/Sustainable%20Energy/GHGERF/Evaluations/GHGERF\\_Year%203\\_annual\\_report\\_2011-12\\_FINAL.pdf](http://puc.nh.gov/Sustainable%20Energy/GHGERF/Evaluations/GHGERF_Year%203_annual_report_2011-12_FINAL.pdf)

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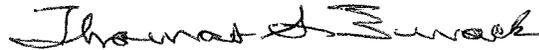
and local government energy efficiency projects. DES supports investment of the remaining funds in energy efficiency. Since investment in energy efficiency directly benefits *all* New Hampshire citizens as stated above, it should not matter which customer class receives the remaining funds. However, targeting the larger commercial and industrial energy efficiency projects may result in greater savings than funding multiple, smaller residential energy efficiency projects.

The RGGI States may not be acting alone in the future. The United States Environmental Protection Agency (EPA) has proposed a national Clean Power Plan to reduce carbon dioxide pollution from power plants. One “building block” of that plan is increasing energy efficiency.

Investing RGGI funds in additional energy efficiency, and specifically commercial and industrial energy efficiency projects, is good policy, as it makes sense both economically and environmentally.

Thank you for your consideration in this matter. If you have questions or need additional information, please contact either Michael Fitzgerald, Assistant Director, Air Resources Division (271-6390, [michael.fitzgerald@des.nh.gov](mailto:michael.fitzgerald@des.nh.gov)) or Craig Wright, Director, Air Resources Division (271-1088, [craig.wright@des.nh.gov](mailto:craig.wright@des.nh.gov)).

Sincerely,



Thomas S. Burack  
Commissioner

cc: Sponsors of HB 574