



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

February 18, 2010

The Honorable Martha Fuller Clark, Chairman and Members of the Committee
Senate Energy, Environment & Economic Development Committee
Legislative Office Building, Room 102
Concord, NH 03301

Re: SB 323 to the energy efficiency and sustainable energy board, the greenhouse gas emissions reduction fund, and the renewable energy fund, and

SB 393 establishing a New Hampshire sustainable energy loan fund (SELF) financing program

Dear Chairman Fuller Clark and Members of the Committee:

The Department of Environmental Services (DES) is pleased to provide combined testimony regarding Senate Bills 323 and 393, both of which would potentially impact the allocation of the Greenhouse Gas Emissions Reduction Fund established pursuant to RSA 125-O:23. While DES appreciates the intent of these bills, the Department does not support either as currently drafted and would support referring them to interim study.

DES worked closely with the Public Utilities Commission, sponsors, and a wide range of stakeholders in the passage of HB 1434 (2008) authorizing New Hampshire's participation in the Regional Greenhouse Gas Initiative (RGGI), a cooperative effort by ten Northeast and Mid-Atlantic states to limit greenhouse gas emissions. That legislation also directed that

Fund moneys shall be used to support energy efficiency, conservation, and demand response programs to reduce greenhouse gas emissions generated within the state, which may include programs proposed and administered by private entities, as well as by the department, the commission, and other state and local governmental agencies. Such programs may include, but not be limited to, improving the electrical and thermal energy efficiency of New Hampshire's residential housing and commercial building stock via weatherization, energy auditing, energy efficiency related work force training and development, revolving loan funds for efficiency related investment, related industrial process and control systems, integration of passive solar heating and ventilation systems, and efforts to increase adherence to energy related building and electrical codes. These funds shall not be transferred or used for any other purpose.

During the development of the RGGI legislation there was significant stakeholder interest in including specific direction for the allocation of RGGI auction proceeds for a variety of special interests. Ultimately, a broad coalition of stakeholders came together and agreed to

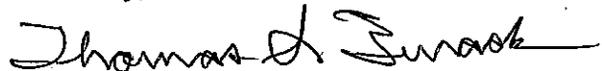
support the less specific language above, directing the PUC to administer the fund with input from the Energy Efficiency and Sustainable Energy (EESSE) Board, incorporating a wide variety of expertise from across the state in the furtherance of energy efficiency and renewable energy efforts.

At this time DES believes that the method of allocation of funding envisioned in the original legislation should be given sufficient time to be implemented, and the results of those decisions to be evaluated, before suggesting significant revisions. State participation in RGGI auctions did not commence until December of 2008, and the initial round of project funding was completed in two phases, approved between July and October of 2009. Therefore, DES cannot support either of these bills as currently drafted, despite the potential merits of either bill.

DES also understands that the sponsors of SB 323 have been discussing an amendment that would broadly direct the PUC to more closely coordinate and align all energy efficiency and sustainable energy programs and incentives. DES is very supportive of this concept and would be pleased work with sponsors and stakeholders to participate in efforts to craft such an amendment.

Thank you for the opportunity to share DES' concerns with these bills. Should you have further questions or need additional information please feel free to contact Robert R. Scott, Director, Air Resources Division (271-1088, robert.scott@des.nh.gov) or Michael Fitzgerald, Administrator, Technical Services Bureau (271-6390, michael.fitzgerald@des.nh.gov).

Sincerely,



Thomas S. Burack
Commissioner

cc: SB 323, 393 Sponsors
Clifton Below, Commissioner, PUC