



# Policy Resources for New Hampshire EERS Development

*Compiled by NEEP - summer 2015*

## Resources from SEE Action

The State and Local Energy Efficiency Action Network ([SEE Action](#)) is a project of the U.S. Department of Energy that advances state and local investment in energy efficiency. Topical working groups includes stakeholders and experts from across the country representing state and local governments, associations, business leaders, non-government organizations, and others. Information below is taken directly from the SEE Action website. [www4.eere.energy.gov/seeaction](http://www4.eere.energy.gov/seeaction)

## Ratepayer-funded Efficiency through Regulatory Policy

Regulatory policy can have a significant impact on investment in energy efficiency. Developing a set of regulatory policies appropriate for each individual state's context will set a foundation for achieving all cost-effective energy efficiency.

### *Key Focus Areas*

Electric and natural gas utilities can play a vital role in deploying all of our nation's available cost-effective energy efficiency—but traditional utility regulation can create unintended obstacles for the utilities.

Under the conventional regulatory framework, a utility's financial health can be negatively impacted when it delivers energy efficiency to its customers. State utility regulators are using a variety of incentives for overcoming these barriers. SEE Action has identified seven key focus areas to assist state utility regulators:

- **Utility financial incentives.** Incentivize utilities to deliver energy efficiency through energy efficiency cost recovery, mitigating or eliminating the throughput incentive, and aligning customer and utility interests.
- **Bill and rate impacts.** Account for the long-term savings as well as short-term costs of efficiency programs, and design programs in ways that mitigate rate increases.
- **Method of energy efficiency program delivery.** Understand successful examples of different choices in efficiency program delivery including investor or public owned utilities; independent, non-government statewide organizations (“3rd Parties”); state agencies; and hybrid models.
- **Building Codes and appliance standards.** Building energy codes and appliance efficiency standards are likely to capture significant energy efficiency savings over the coming years. This has implications for existing utility energy efficiency program design and utility involvement in codes and standards.
- **Customer service and satisfaction.** Energy efficiency programs contribute significantly toward customer satisfaction, and the desire to improve customer satisfaction can motivate utilities to offer or expand energy efficiency programs.
- **Integrated resource planning (IRP).** An IRP can be a powerful impetus for energy efficiency and other demand management alternatives to new supply, especially where the planning process is mandatory and overseen by a PUC, because the IRP may require utilities to consider demand side resources that benefit ratepayers even if those resources do not benefit utility shareholders.
- **Targets and goals.** A growing number of states are setting mandatory energy-saving targets. Experience to date indicates that most states are on track to meet the targets that have been set, and that establishing such targets is driving significant and cost-effective energy-efficiency savings. However, targets need to be developed with care and many issues considered in setting targets.



## Key Initiatives

SEE Action is currently working on several initiatives that will provide state utility regulators and stakeholders the tools and information they need to create utility motivations that will lead to a significant increase in energy efficiency. These include:

- Hosting regional Regulatory Policy Exercises - informative, interactive, day-long exercises that enable regulators to explore a variety of energy efficiency policies in a consequence-free environment. Participants—including utility commissioners, commission staff, and state consumer advocates—experience a variety of utility and consumer perspectives in a mock scenario in which they:
  - Act as regulators and explore a variety of stakeholder perspectives in a mock scenario
  - Hear live "testimony" and discuss policy options with fellow commissioners
  - Select from several regulatory approaches and use a modeling tool to observe, analyze, and discuss the financial impacts on a hypothetical utility
  - Leave with resources—relevant decisions, orders, and additional resources to explore.
- Promoting best practice utility planning processes that allow demand side resources to compete as a cost-effective alternative to supply side resources, including generation, transmission, and distribution infrastructure investments.
- Understanding how electric and natural gas utilities can be motivated by the establishment of numeric energy savings targets and goals for energy efficiency program results.
- Providing regulators with a comprehensive approach to analyze impacts of energy efficiency programs on rates and bills, when concerns about rate impacts pose a barrier to energy efficiency programs either for utilities or regulators
- Identifying and advancing the understanding of factors that should be considered in evaluating choice of model for administering ratepayer funded energy efficiency programs, given that energy efficiency runs counter to the traditional/core business model for utilities.
- Highlighting the customer satisfaction benefits of utility sponsored energy efficiency programs, and encouraging policymakers and other stakeholders to recognize and consider these benefits during their review of proposals.

## Guidance Documents from the Network



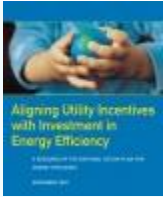
### [Setting Energy Savings Targets for Utilities](#)

Helps policymakers understand how electric and natural gas utilities can achieve greater efficiency by establishing numeric energy savings targets and goals for energy efficiency programs.



### [Using Integrated Resource Planning to Encourage Investment in Cost-Effective Energy Efficiency](#)

Describes how utility planning processes that allow demand-side resources to compete with supply-side resources can promote cost-effective energy efficiency.



### [Aligning Utility Incentives with Investment in Energy Efficiency](#)

Describes the effects of utility spending on efficiency programs, how those effects could constitute barriers to investment in energy efficiency, and how policy mechanisms can reduce these barriers.



### [Analyzing and Managing Bill Impacts of Energy Efficiency Programs: Principles and Recommendations](#)

Provides policymakers with principles and recommendations to understand and manage concerns about bill and rate impacts resulting from requiring utilities to provide efficiency programs.

## Resources from RAP

The **Regulatory Assistance Project (RAP)** is a non-profit organization made up of former state regulators. They have a wealth of guidance materials on [Energy Efficiency and Resource Planning](#).

***Best Practices in Designing and Implementing Energy Efficiency Obligation Schemes*** - An energy efficiency obligation (EEO) is a regulatory mechanism that requires obligated parties to meet quantitative energy saving targets by delivering or procuring eligible energy savings produced by implementing approved end-use energy efficiency measures. These schemes require energy providers, such as electricity and gas companies, to meet quantitative energy saving targets through assisting their customers to implement energy efficiency measures.

***Revenue Regulation and Decoupling: A Guide to Theory and Application*** - This guide was prepared to assist anyone who needs to understand both the mechanics of a regulatory tool known as decoupling and the policy issues associated with its use. This would include public utility commissioners and staff, utility management, advocates and others with a stake in the regulated energy system.

***Decoupling Case Studies: Revenue Regulation Implementation in Six States*** - This paper examines revenue regulation, popularly known as decoupling, and the various elements of revenue regulation that can be assembled in numerous ways based on state priorities and preferences to eliminate the throughput incentive. More at [www.raponline.org](http://www.raponline.org)

**The American Council for an Energy-Efficient Economy (ACEEE)** - More online reports, publications and experts than could possibly be described here. [www.aceee.org](http://www.aceee.org)