

July 24, 2020

D. Maurice Kreis  
Consumer Advocate  
Chair, EERS Committee  
Office of the Consumer Advocate  
Via Electronic Mail - [Donald.Kreis@oca.nh.gov](mailto:Donald.Kreis@oca.nh.gov)

Dear Mr. Kreis and Members of the EERS Committee:

Acadia Center respectfully submits the attached comments in response to the New Hampshire Electric and Natural Gas Utilities (collectively, the “NH Utilities”) *Draft 2021-2023 New Hampshire Statewide Energy Efficiency Plan (Draft NH 2021-2023 Plan)* submitted for stakeholder review on July 1, 2020.

Through research and advocacy, Acadia Center envisions a clean energy, energy efficient, and low-carbon economy focused on clean technology – not fossil fuels – to heat buildings, power transportation, and generate power. Acadia Center is pursuing reforms that encourage states to [Make the Next Decade Count™](#) by aggressively phasing out fossil fuels and expanding clean energy to achieve necessary reductions in climate pollution by 2030. These actions will grow the region’s economy, create jobs, enhance public health, improve the quality of housing, and increase access to transportation.

Acadia Center recommends that electric and gas savings are ramped up in a meaningful way to allow for acquisition of all cost-effective energy efficiency resources across all fuel types and sectors to help NH residents, businesses, and institutions meet their energy needs while reducing the cost of energy. Other Northeast states are making tremendous progress in their energy efficiency programs by maximizing the use of weatherization and energy efficiency measures, reducing economic insecurity from the inefficient use of fossil fuels, and creating new jobs and businesses to deliver affordable energy efficiency products and services. New Hampshire can do so, as well.

Acadia Center understands that we face unprecedented challenges due to the COVID-19 pandemic and commends NH Utilities’ efforts to continue providing energy efficiency services to NH energy customers. Acadia Center also appreciates the NH Utilities’ collaboration with the EERS Committee to incorporate suggestions to the April 1 Draft. We look forward to working with the EERS Committee, the Office of the Consumer Advocate, and the NH Utilities to advance better strategies to implement effective, robust energy efficiency programs and projects in New Hampshire.

Respectfully Submitted,

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Maine Director  
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CC: Members, Energy Efficiency Resource Standard (EERS) Committee

## Draft of the 2021-2023 NH Statewide Energy Efficiency Plan

### Response by Acadia Center to July 1, 2020 Draft

To EERS Committee, July 24, 2020

Acadia Center appreciates this opportunity to provide written comments in response to the NH Electric and Natural Gas Utilities (collectively, the “NH Utilities”) *Draft of the 2021-2023 New Hampshire Statewide Energy Efficiency Plan* (“*Draft 2021-2023 NH Plan*”) submitted for stakeholder review on July 1, 2020. NH Utilities made significant revisions in scope, savings, timeline, process, and program details based on the COVID-19 pandemic as well as incorporation of public and EERS Committee comments on the April 1 Draft Plan. Acadia Center’s comments are based on examination of the *Draft 2021-2023 NH Plan*, its analyses and reports on energy efficiency programs across the Northeast region, its preliminary comments on the April 1, 2020 *Draft 2021-2023 NH Plan*, and subsequent conversations and deliberations within the EERS Committee. Acadia Center is not submitting comments on specific program details, but more on the savings and concepts that bind those programs together.

### Summary

An energy efficiency resource standard (EERS) is intended as a quantitative, long-term energy savings target for utilities to procure an increasing percentage of their future electricity and natural gas needs using energy efficiency measures. The EERS is a landmark policy that can produce millions of dollars in savings by helping residents and businesses reduce energy costs and pollution from energy production. The EERS Committee was successful in expanding the budget and role for stakeholders in developing the initial 2018-2020 plan and should maintain its leadership in the key phases of design, implementation, and evaluation of programs in the 2021 – 2023 plan and future plans. In sum, Acadia Center recommends the final 2021-2023 Plan include:

- Increased energy efficiency savings for 2021-23, and a commitment to a ramp up to delivering all-cost effective energy efficiency in future plans;
- Significant benefits to NH’s economy, businesses, and workers;
- Increased workforce development and training, especially for NH’s most vulnerable and rural communities and individuals;
- Targeted marketing, education, and enhanced incentives especially for NH’s most vulnerable and rural communities and individuals;
- Upgraded energy efficiency data tracking systems and transparency;
- Enhanced building code development, implementation, training, compliance, and enforcement; and
- Acceleration of the programs’ efforts to electrify and weatherize buildings heated by delivered fuels.

### New Hampshire’s Energy Efficiency Programs - The Need for Increased Energy Efficiency Savings

New Hampshire needs a bold, effective, and broad-reaching energy efficiency plan for action over the next three years to reduce climate pollution, aggressively phase out fossil fuels, and expand energy efficiency and clean energy so that the State transitions to a healthier, more equitable clean energy future. Acadia Center’s [EnergyVision 2030](#) shows that if states transform buildings, energy, and transportation systems, the Northeast can reduce carbon emissions 45-50%

by the year 2030, on the path to elimination of emissions from the energy sector by 2050. New Hampshire lags its New England neighbors in overall energy efficiency policies and progress, according to the [American Council for an Energy-Efficient Economy's 2019 national efficiency scorecard](#). While Massachusetts, Connecticut, Rhode Island, and Vermont are in the top 10 for overall state-wide energy efficiency policies, with Massachusetts, Rhode Island, and Vermont all realizing utility savings above 2% of retail sales, New Hampshire remains in the middle of the pack. The State has seen improvements in recent years; however, New Hampshire must do more to become a regional leader on energy efficiency.

New Hampshire deserves to reap the benefits that a more robust NH Saves program can provide. This type of program not only reduces energy use and costs, but improves public health, supports economic progress, and is consumer friendly. New Hampshire has some of the oldest and leakiest housing stock in the nation and a high dependency on fossil fuels for heating. Building heating is also one of the largest sources of greenhouse gas emissions in New Hampshire. A renewed focus on cleaner and better buildings will help make the next leap forward. There is an opportunity to save millions of additional dollars by helping residents and businesses more aggressively reduce energy costs and pollution. Past progress shows that transitioning to a clean energy future will grow the economy, create jobs, enhance public health, improve housing, and increase access to low-carbon heating.

Accordingly, some of the most significant details for the *Draft 2021-2023 NH Plan* are the expected savings levels and budget. According to the Plan, the NH Utilities are projecting to achieve cumulative energy savings of 4.2 percent of the NH Electric Utilities' 2019 kWh delivery sales and 2.8 percent of the NH Natural Gas Utilities' 2019 MMBtu delivery sales. On an annual basis, this works out to be approximately, as a percentage of 2019 electric sales, 1.2 percent in 2021, 1.3 percent in 2022, and 1.6 percent in 2023. While the July Draft provides some ramp-up in energy savings over the three-year period, the overall levels of triennial savings have not changed significantly from the April draft Plan and are insufficient.

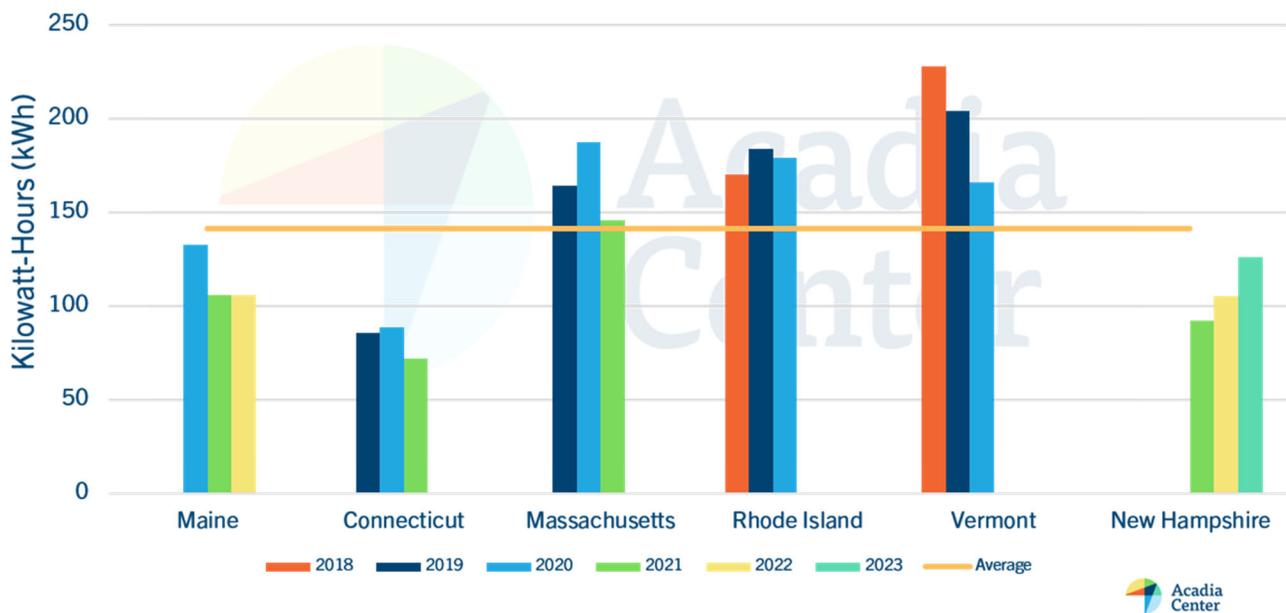
During the June 15, 2020 EERS Committee, the OCA presented an "all cost-effective energy efficiency" option that achieved a cumulative energy savings of at least 5 percent of 2019 electric sales over three years and at least 3 percent of 2019 natural gas sales over three years. Under this option, the NH Utilities could carry budgets forward or back within the three-year period and reprogram performance incentives to align with integrated savings goals and risks faced by the utilities, in accordance with the preference for flexibility in light of the COVID-19 pandemic. This flexibility would allow goals, programs, and/or budgets to be adjusted during the triennium as needed. This option was also referred to as a "rise to the challenge" option to recognize cost-effective savings needed to drive energy efficiency budgets, in the spirit of the 2016 approval of the EERS concept. The organizations support setting a high target and continuing an upward trajectory of savings now to better ensure that NH energy efficiency customers and energy consumers realize the substantial benefits of energy efficiency programs.

Acadia Center acknowledges that the 2021-2023 electric and natural gas savings and budgets are more challenging to predict, calibrate, adjust, and establish and that additional analysis and adjustments are likely to be ongoing in the wake of the COVID-19 pandemic. Acadia Center also recognizes that NH utilities will continue to revise and submit additional data on its efficiency program planning and implementation in the face of unforeseeable and/or unavoidable constraints. Savings goals are impacted by a variety of factors, including program costs, availability of the workforce necessary to carry out the efficiency programs, other public policy considerations like equity or carbon emissions reductions, and now, COVID-19.

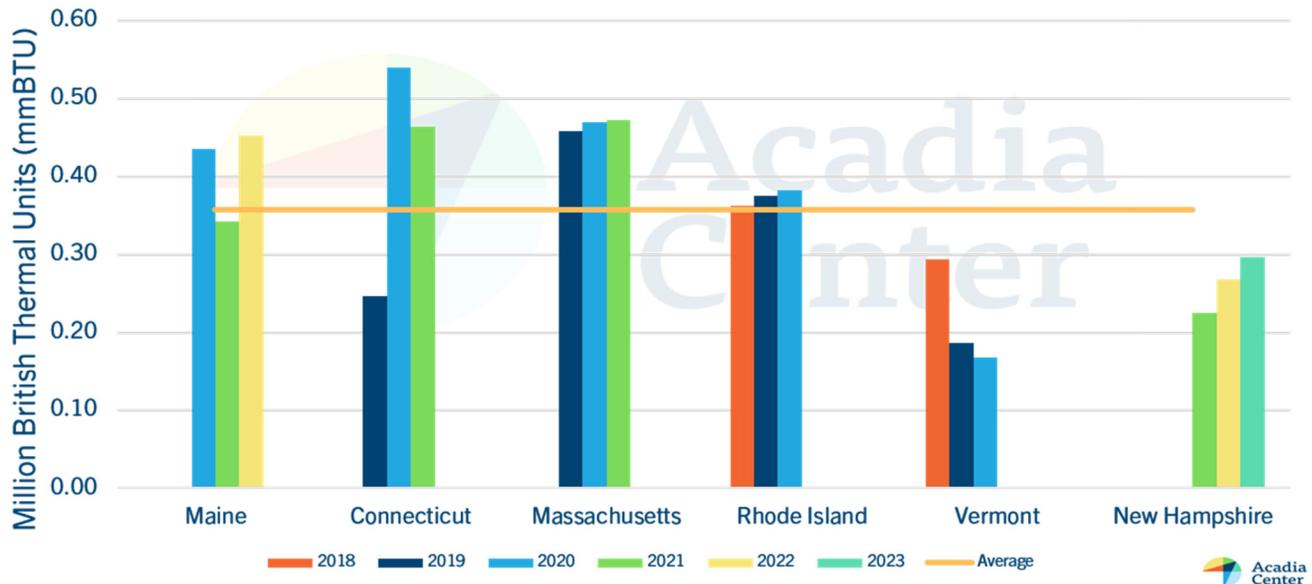
However, Acadia Center recommends that the NH utilities should strive for annual savings levels that are at least 5.0 percent of electric sales and more than 3.0 percent of gas sales over a three-year period. Acadia Center recommends targets for energy savings that enhance heating improvements for households of all income levels and consumer access to financial assistance and incentives related to energy efficiency and the use of alternative energy resources. A robust, escalating EERS sends a clear signal to the market in residential, commercial, and industrial programs and a level of certainty that encourages more investment in cost-effective energy efficiency.

For comparison with other New England States, the two graphs below illustrate per-capita annual planned electricity (kWh) and total fossil fuel (MMBtu) savings from the most recent state triennial energy efficiency plans. The solid yellow line represents the average annual savings across the region. Normalizing across population, New Hampshire is below the regional average for per-capita annual electricity and fossil fuel savings for 2021 through 2023, compared across the New England region.

### Per-capita Annual Electricity Savings



## Per-capita Annual Fossil Fuel Savings



In the ACEEE Comments to the NH EERS Committee on the *Draft 2021-2023 NH Plan*, the organization also recommends a higher energy savings of 5 percent for electricity and 3 percent for natural gas, citing Massachusetts, Rhode Island, and Vermont as achieving in excess of 2.30 percent per year for electricity and Massachusetts and Rhode Island in excess of 1.2 percent per year for natural gas. The ACEEE asserts that, with the same utilities as NH running energy efficiency programs in those states and demonstrating higher savings in those states, New Hampshire can and should strive to set more aggressive goals. If New Hampshire makes the incremental but robust investment in energy efficiency and continues to build the workforce and delivery channels, then the cost of acquiring each unit of energy savings will decline, setting the stage for even higher savings in 2024-2026.

### Draft 2021 – 2023 Plan Priorities

The *Draft 2021-2023 NH Plan* presents ten priorities in the triennial plan. Acadia Center generally supports the priorities and provides some context and comments related to each priority.

#### Priority One: Commitment to Deliver Cost-Effective Energy Efficiency

Throughout the 2021-2023 term, the NH Utilities plan to “deliver tailored, comprehensive solutions to customers and drive electric and natural gas savings beyond lighting measures.” In the most basic terms, energy efficiency is about investing money in ways to help consumers and the energy system save money. On a large scale, efficiency investments avoid the need for expensive new generation and infrastructure. Cutting demand generates macroeconomic growth, creates jobs, and keeps energy dollars in the local economy. A fundamental challenge in making the electric and natural gas systems work with less infrastructure is to find a reliable way to identify and capture all cost-effective efficiency resources. Other states that have adopted the principle of ensuring that utilities purchase the lower cost energy resource first – energy efficiency (often referred to as Least Cost Procurement or All Cost-effective Efficiency) are proving that doing so brings macroeconomic and market penetration benefits, and

consumer and environmental savings based on economics that is flexible to changing market conditions and maximizes consumer benefits. Energy efficiency resource standards and plans and investments reap large savings and reduce capital investments in traditional grid infrastructure and spending on fossil fuels.

Savings targets for electricity and natural gas set out in a 3-year plan must be robust, increasing, and achieved, moving toward capturing all cost-effective efficiency. The NH Utilities should develop a final plan for 2021-2023 that ramps up from 2020 electric savings to at least 5.0 percent of electricity sales over the three years, and natural gas savings to at least 3.0 percent over three years. These savings represent significant steps toward all cost-effective energy efficiency but are still conservative compared to other New England states. Given that the EERS framework includes a long-term goal of achieving ALL cost-effective energy efficiency, NH Utilities should also provide plans for ramping up to higher levels of savings in future plans. Other states are achieving higher levels of savings, delivering higher benefits to their ratepayers, and making better use of this lowest cost resource. New Hampshire can do better.

### **Priority Two: Provide Significant Benefits to New Hampshire's Economy**

In addition to enabling high levels of energy savings, investment in cost-effective energy efficiency creates jobs and boosts economic activity, partly because they keep money in the region instead of spending it on imported fossil fuels for electric generation. Energy efficiency reduces the cost of doing business and lowers residents' energy bills, leaving them with more disposable income to spend on other goods and services. These two effects lead to job creation and economic growth.

### **Priority Three: Increasing Participation through New and Expanded Program Pathways**

Acadia Center supports consistent, effective incentives that help consumers plan their energy efficiency investments over time and guide customers to the best options. The NH Utilities propose to effectively scale up the NHSaves Programs to increase energy savings and program participation by introducing or reinforcing multiple "on ramps" with varied levels of participation requirements for different customer types. According to the *Draft 2021-2023 NH Plan*, the NHSaves residential programs will introduce or more heavily promote several pathways, including: code-plus initiatives, online platforms, single-measure rebates, energy kits, and virtual audits.

Acadia Center strongly supports increasing program participation and savings by creating programs that meet the consumers where they are, as well as consistent, effective incentives that help consumers plan their energy efficiency investments over time. Acadia Center encourages the NH Utilities to gather data on which new pathways are most effective at reaching targeted populations, especially those that have not yet participated in the programs, and ways to move single-measure rebate customers to deeper levels of savings. Acadia Center also supports the utilities' plans to encourage additional participation through main street and community outreach initiatives, as well as the creation of tailored marketing collateral targeting C&I customers and market segments. In addition, Acadia Center encourages the NH Utilities to look to the Massachusetts programs' success in market segmentation through targeting business sectors with similar needs, such as grocery stores.

### **Priority Four: Offer Effectively Packaged Solutions to Engage Customers**

The NH Utilities propose to expand midstream and point-of-purchase rebate offerings for the NHSaves Residential programs, as well as include additional tiers and bonus incentives for the residential new construction marketplace. For the C&I programs, the NH Utilities propose to create standard offer marketing pieces, such as sell sheets and

presentations, specifically developed for target C&I market segments and end-use equipment. Acadia Center generally supports these proposals.

### Priority Five: Continue to Develop New Hampshire's Energy Efficiency Workforce

The NH Utilities propose to work with regional partners to increase training and workshops. Energy efficiency is the fastest-growing segment of U.S. energy-sector employment, now employing more than 2.3 million Americans, according to an analysis from E2 and E4TheFuture. Energy efficiency workers now account for 28% of all U.S. energy jobs, although the COVID-19 pandemic is leading to job losses in all energy industries. A recent [E2 analysis](#) of clean energy job loss as a result of COVID-19 found that New Hampshire has lost over 1,200 jobs in the state's energy efficiency sector compared to pre-COVID employment. This represents a 10 percent decline in energy efficiency employment throughout the state.

The report, [Energy Efficiency Jobs in America](#), finds energy efficiency jobs grew 3.4 percent in 2018 –more than double the rate of growth for overall jobs nationwide — with not a single state with declines in energy efficiency employment in 2018. In NH, the report shows:

- 11,733 total energy efficiency jobs;
- 1,939 energy efficiency businesses;
- 25% of all construction jobs are in energy efficiency.

Acadia Center supports expanding NH's energy efficiency workforce as a key component of the *Draft 2021-2023 NH Plan* and believe it is integral to helping NH businesses and homeowners save money while creating local jobs. Energy efficiency jobs include positions in manufacturing, construction, retrofitting buildings, professional services, as well as at the heating, ventilation and air conditioning (HVAC) companies that upgrade outdated inefficient HVAC systems, boilers, ductwork and other equipment. Acadia Center is especially pleased to see proposals to enlist a workforce development vendor to coordinate strategic planning and implementation – signaling both a short- and long-term commitment to workforce development – and urges the NH Utilities to focus on hard-to-reach areas, including low-income and rural populations.

The Massachusetts Program Administrators (PAs) commissioned a [Workforce Development Needs Assessment](#), and finds through a *regional* workforce survey (including New Hampshire) the following:

*“A small applicant pool and low public awareness, among other issues, contribute to hiring difficulties for energy efficiency employers. Ninety-two percent of employers reported hiring difficulty over the last 12 months, with 45 percent indicating that hiring had been very difficult. Employers' top reported reasons include lack of experience or industry-specific knowledge, a small applicant pool, and competition with other industries. The hiring problem is compounded by limited public awareness of the benefits and opportunities associated with energy efficiency jobs. Between 48 to 56 percent of potential workers indicated that they are either unaware or have no opinion on the benefits of an energy efficiency career and if these jobs provide adequate compensation, benefits and perks, career advancement opportunities, or flexible work schedules. High school graduates rarely consider these trades an option as parents and guidance counselors typically advocate for a college education or the career benefits of professional service occupations.”*

Acadia Center supports a triennial plan that devotes resources to workforce development and recommends a greater focus on more vulnerable communities and workers who may not have equal access or opportunities available to them. These vulnerable communities included, but are not limited to, indigenous people, immigrant communities, communities of color, low-income communities, and youth and seniors. Each community has unique vulnerabilities and specific concerns and circumstances but should be a focus of workforce development initiatives.

New Hampshire's workforce needs be well informed and trained in new and existing heating systems and technologies to ensure they are properly installed, maintained, and utilized most effectively. If New Hampshire prioritizes workforce training in the energy sector, and provides proper training for space heating, cooling, and hot water, a plethora of benefits, including jobs, energy efficiency, enhanced indoor air quality, greater comfort, and reduction of emissions will follow. In turn, home and business owners will experience energy bill savings.

### **Priority Six: Increase Outreach to Main Streets, Municipalities and Rural Areas**

Identifying concrete program design changes and outreach is needed to better serve vulnerable populations, such as rural renters and homeowners, low-income consumers, non-English speakers, and small businesses. Acadia Center supports the introduction of a new municipal and community partnership strategy to enhance outreach, as well as identifying barriers to participation and identification of solutions.

Energy efficiency programs tend to be more inaccessible to low-income households, small businesses, and rural populations. The upfront capital requirements for energy efficiency improvements and installation of more efficient or renewable energy systems can be a major deterrent. Significant barriers, like high upfront costs, split incentives between owners and renters, and inadequate information outreach, exist and proliferate. Acadia Center supports increased outreach, education, and tailored programs for these communities.

### **Priority Seven: Upgrading Weatherization Systems and Data Tracking**

Acadia Center is committed to working to ensure changes to program delivery and data management that better track and improve access for targeted customer segments are included in the 2021-2023 Plan. The way NH Utilities utilize, share, and protect data has been an ongoing issue, and its importance will only increase as the programs collect more customer data. The *Draft 2021-2023 NH Plan* proposes some improvements in using energy efficiency data, but it is unclear how data will be harmonized sufficiently with creation of a common data platform across utilities. The platform should be capable of enabling two-way engagement between customers and 3rd party providers and facilitate targeting, coordination, and customer service. Acadia Center also requests additional clarification on how the NH Utilities program data will be integrated into a statewide database as it is collected.

### **Priority Eight: Implement Effective Active Demand Reduction Strategies**

The NH Electric Utilities plan to implement two C&I active demand reduction (ADR) pathways: Interruptible Load and Storage Performance. For the 2021-2023 term, the NH Electric Utilities will include three residential ADR pathways: Smart Thermostat, Battery Storage, and Electric Vehicle ("EV").

While the *Draft 2021-2023 NH Plan* lacks details on customer engagement, energy savings and performance data, implementation services, participation targets and other information, Acadia Center is generally supportive of a full ADR program. Utilizing the efficiency programs to address other issues in the energy sector, such as peak demand, is particularly important as it relates to winter system reliability. Reducing peak demand on the coldest and hottest days

can save ratepayers significantly and avoid running the dirtiest generators. Incorporating smart controls, battery storage, and EVs in the EERS is an appropriate way to deploy and leverage the value of these resources.

### **Priority Nine: Implementing an Energy Optimization Pilot**

The Draft 2021-23 Plan proposes an “energy optimization” pilot. The *Draft 2021-2023 NH Plan* proposes this as a three-year pilot, not a full-program scaled initiative. Acadia Center is supportive of programs that enable strategic electrification for customers who heat with fossil fuels, but not a program that would further incentivize customers to switch from delivered fuels to natural gas. Acadia Center is pleased that the EO pilot will focus on the transition from residential delivered fossil fuel heating systems to cold climate air source heat pumps (“ASHPs”), including central and mini-split systems. There is opportunity for further penetration of heat pump technologies, bundled with weatherization, in any energy optimization pilot. Such a pilot offers an opportunity for additional education and incentives on heating and hot water options to ratepayers, including cold climate air source heat pumps, incentives for switching to renewable and clean energy heating technologies and air sealing, weatherization, and high efficiency equipment for residential customers who heat with oil or propane, delivering significant savings in GHG emissions and benefits to customers..

Heat pumps designed for use in low temperatures are seeing accelerated adoption in the Northeast. For example, Maine, the coldest state in the Northeast, has installed over 46,000 heat pumps over the last seven years and has a target to install 100,000 more by 2025. Vermont, the region’s second coldest state, has installed heat pumps in about 1% of its homes per year since 2015. Both states offer rebates to customers who install heat pumps through their energy efficiency programs, and Vermont further offers a bonus rebate to low- and moderate-income customers. Other states across the Northeast are following the lead of Vermont and Maine and have adopted heat pump incentives in their energy efficiency programs and we look forward to working with the NH Utilities to expand their programs and the EO Pilot to capture more energy and cost savings through greater penetration of heat pumps in NH homes and buildings. Acadia Center questions whether three years is too long for such a pilot program and recommends a more aggressive strategy to incorporate heat pumps and hot water heat pumps in more homes, with a focus on low-income and rural communities.

For more information on educating consumers and vendors, coupling heat pumps with weatherization and integrated controls, and other pathways to increased installation of heat pumps to meet state policy goals, please visit Acadia Center’s Clean Heating Pathways @ <https://acadiacenter.org/document/clean-heating-pathways/>.

### **Priority Ten: Increase Energy Efficiency Portfolio Savings from Non-Lighting Measures**

The NH Utilities propose to transition energy efficiency portfolio savings away from lighting to non-lighting measures during the 2021-2023 term. To do this efficiently and effectively and ensure that the benefits of non-lighting energy efficiency measures are greater than the costs, the NH utilities must ensure that they are investing in all cost-effective efficiency. Rhode Island and Massachusetts’ regulators have adopted the Total Resource Cost (TRC) test to facilitate investments in energy efficiency based on economics. By comparing the net present value of a stream of benefits over the net present value of a corresponding stream of costs, the TRC test indicates that an efficiency measure or program is cost effective if the benefits outweigh the costs for consumers.

The NH Utilities have also used the TRC test with various amendments and eventually adopted the Granite State Test and two secondary tests to be applied to the 2021-2023 Plan. The Granite State Test, the primary cost-effectiveness

test, “measures the utility costs of delivering energy efficiency programs against the benefits that accrue to the utility system, as well as those benefits associated with improving outcomes for limited-income participants, reducing participants’ use of unregulated fuels and water, and a RGGI/carbon emissions proxy.”

One reason that the NH Utilities have given for the decline in electric savings in the DRAFT 2021-2023 Plan is the rising baselines in residential lighting and that they can no longer claim as much savings for LED light bulbs, because LEDs are increasingly the bulb of choice anyway. Acadia Center agrees this market transformation is happening – and it is a good thing for our environment and economy. Despite the amount of savings that the programs can claim from residential lighting declining precipitously as LED bulbs become the norm, this change in baselines alone is not sufficient to justify the NH Utilities’ proposed savings, as they should be able to make up significant amounts of savings by making improvements in other areas.

One of the most cost-effective strategies to increase energy savings is through weatherization, which delivers benefits and savings to New Hampshire homeowners, consumers, and businesses many times greater than the public’s investment, and increases economic and energy productivity. Weatherization helps alleviate heavy energy burdens through cost-effective improvements such as insulation and air sealing. Energy efficient weatherization measures continue to save money and energy year after year and increase household income so funds can go towards key living expenses. Community action agencies, other non-profits, and local governments are key partners to delivery services to low-income families. NH Utilities should continue and expand its work.

Acadia Center also recommends a shift, in conjunction with increased weatherization, to replacing fossil fuel systems used for heating and hot water with heat pump technologies that operate at high efficiencies. A combination of weatherization and electrifications will shift from fossil fuels to electricity in a strategic manner that increases efficiency, reduced pollution, and decreases customer costs. The Draft 2021-2023 plan period provides an opportunity for NH Utilities to work together with stakeholders to evaluate the benefits of electrification, promote the deployment of heat pumps, and determine how to modify rate designs to incentive efficiency electricity consumption.

## Proposal for 3-Year Planning Structure

Acadia Center generally supports the NH Utilities proposal to utilize a three-year plan for the *Draft 2021-2023 NH Plan* period. The *Draft 2021-2023 NH Plan* includes triggers for limited circumstances under which the Plan can be amended. The Plan proposes that energy savings targets are set for the entire three-year period with each year having an annual target “directional” energy savings goal and individual program budgets for each program year as well as the three-year term. This three-year planning structure offers program continuity and market transformation efforts to extend across years, as well as enabling ramp up in savings across the three years.

According to the Plan, this three-year structure “will improve program delivery to customers, foster innovation, provide greater flexibility to adapt to fluid and evolving market conditions, and result in a more cost effective and efficient process for the NH Utilities and stakeholders.” Acadia Center feels this planning structure is fair and the NH Utilities deserve flexibility to adapt to changing economic conditions, market needs, and other circumstances, especially as we urge greater cumulative energy savings over the three-year period. The ultimate success of a true three-year plan will, of course, necessitate and be dependent on regular, robust, and transparent reporting and evaluation, particular to support significant mid-term modifications if needed.

## Marketing and Education

As stated in Priority Six above (Increase Outreach to Main Streets, Municipalities, and Rural Areas), guidance from utilities and energy efficiency professionals can make energy efficiency improvements more understandable, accessible, and easily implemented by both homeowners and businesspeople. Experts help consumers work through the available information about upfront costs, how to choose a contractor, quotes and pricing, available incentives, and resulting energy cost savings. Acadia Center supports more and better marketing and education to the consumer to help build a foundation of common knowledge to lead to greater public acceptance and adoption of energy efficiency programs.

As new technologies and programs are available in New Hampshire that improve heating systems, weatherization, lighting, and other efficiency measures, it is vital to educate the public and companies working in the sector to ensure that people are not only more educated on their use, but also so they are aware of the financial and other assistance available to them. Information flow and accuracy to energy consumers can be lacking, and utilities, public, private, and nonprofit energy representatives need to do a better job at providing honest, consistent information.

Acadia Center commends the NH Utilities for targeting underserved customer segments more than in the April draft. NH needs to develop, market, and implement programs that markedly reduce energy burdens and make its housing more affordable, safe, and healthy for all people – especially low- and moderate-income households – through a comprehensive approach to new and existing homes. While marketing and education for “engaged greens” and “aspiring greens” as segmented in the *2021-2023 NH Draft Plan*, is laudable, it’s more important and compelling to divert focus to dramatically accelerate low-income weatherization programs to tighten up leaky homes – which are also often unsafe and unhealthy – and reducing energy burden by transitioning to clean, cost-effective heating and cooling systems that rely on renewable electricity.

## Building Energy Code Enhancement

On July 13, the NH Department of Environmental Services, GDS Associates, and the Northeast Energy Efficiency Partnership presented the EERS Committee with a NH Energy Code Enhancement Program Discussion Draft for consideration in conjunction with the 2021-2023 NH Draft Plan. The proposal provided an outline that included the following:

- The state adopts new versions of modern energy codes as they are published to enable new technologies and practices to be safely incorporated into new building and major renovation projects and avoids adopting amendments that would weaken the energy efficiency, health, and resiliency benefits of the new energy codes.
- There is consistent, adequate, and dedicated funding available to support energy code adoption, compliance, and enforcement (or activities) initiatives.
- There are adequate resources and support structures for code enforcement and compliance within the state, inclusive of third-party providers.
- There is adequate training and education to support code compliance for code enforcement officials, builders, contractors, architects, HERS raters, engineers, and other relevant industry trades.

The proposal builds on past EESE Board support for code adoption, recognizes that building energy codes are the most cost-effective means to achieve energy efficiency, and draws on consultation with utilities, NEEP, and others.

In the buildings sector, installing clean energy systems and incorporating energy efficient building envelope and structures in new construction is easier and more cost-effective than retrofitting existing buildings. Building high-efficiency new buildings reduces the total heating and cooling need of the building. Without intervention, many new homes built in New Hampshire in the coming years will rely on fossil fuels for heat, which are more costly and subject to price fluctuations than electricity, and risk shut-off for nonpayment. Getting buildings ready for a low-carbon, clean energy future means ensuring that all new construction in New Hampshire meets up-to-date building energy codes and that all areas are treated equally in achieving that goal.

Acadia Center supports a building energy code enhancement process that moves the State toward enhancing building codes designed to deliver maximum energy savings and encourage net-zero or net-zero-ready construction practices that enable the adoption of heat pumps and electric vehicle infrastructure. Such a strategy will improve design and construction of new buildings to provide greater energy efficiency and use of cleaner energy supplies and low-carbon materials. A roadmap is needed to adopt progressively tighter building codes over time and ensure the training of code officers and contractors to improve compliance. Implementation of progressively stringent and uniform building codes and proper training, compliance, and enforcement will provide economic, energy, and environmental benefits for the future. If this activity can take place in the context of the EERS process and in consultation with NH Utility program administrators, even better!

## Conclusion

Acadia Center supports a strong, ramped up energy efficiency triennial plan. Energy efficiency is the cornerstone of effective energy policy. As other states across the region have shown, energy efficiency programs that are well-funded and provide the right mix of investment in residential, business, low-income, and other improvements are very successful at reducing both energy costs and consumption, at the same time that they bring jobs to the state and keep energy dollars circulating in New Hampshire's economy. New Hampshire should take this opportunity to invest in energy efficiency as the lowest cost resource.

### For more information:

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