



March 13, 2024

Hon. Jared S. Chicoine
Commissioner
New Hampshire Dept. of Energy
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Hon. Christopher J. Ellms, Jr.
Deputy Commissioner
New Hampshire Dept. of Energy
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Re: CPCNH Comments on the IRA HOMES and HEEHRA Programs

Dear Commissioner Chicoine and Deputy Commissioner Ellms,

The Community Power Coalition of New Hampshire (CPCNH) appreciates the opportunity to provide the following responses to the New Hampshire Department of Energy's (NHDOE or the Department) Request for Information regarding the Inflation Reduction (IRA) Home Energy Rebate programs deployment in New Hampshire.

CPCNH is a community-governed power agency that provides electricity supply service to customers on a default and competitive choice basis. We operate with the combined authority of our growing membership of 56 town, city, and county members – representing more than 30% (~433,000 residents) of the population in New Hampshire – 26 of which have already launched Community Power Aggregation (CPA) programs, and about 20 more are planning to do so later in 2024.¹ This month, CPCNH becomes NH's second largest supplier by customer count, second only to Eversource default service. CPCNH's interests as they relate to the IRA home energy rebate programs are that we want to ensure equitable treatment of and opportunity for all customers – whether they are on competitive supply, CPA default service, or utility default service – and ultimately, drive economic efficiency through open access to competitive markets and price signals that will help realize an affordable, equitable, and sustainable energy future.

Made possible through the IRA, the Home Owner Managing Energy Savings (HOMES) and High-Efficiency Electric Home Rebate Act (HEEHRA) rebate programs together, offer a

¹ Webpages for CPAs operated by CPCNH are online at: www.communitypowernh.gov/.



unique opportunity for New Hampshire to help low- and medium-income (LMI) households reduce their energy costs through data-driven programs, market competition, and customer choice. If implemented strategically, such programs can enable greater innovation in retail electricity markets and support cost savings for households and a more reliable electricity grid.

CPCNH supports the Department's leadership in promulgating HOMES and HEEHRA rebate programs and generally recommends that the Department seek to implement these programs in ways that maximally align with New Hampshire's state energy policy goals of utilizing competitive markets to deliver innovative products and services to, and reduce costs for, customers. ² To that end, CPCNH provides the following pro-market recommendations for successful program implementation.

- ⚡ **Prioritize a measured savings pathway for implementing the HOMES rebate program** to create a technology-neutral, performance-based market for energy efficiency delivery that shifts risk away from consumers and rewards contractors and aggregators based on how much energy their projects actually save over time.
- ⚡ **Create a unified and efficient market by hiring a Statewide Program Administrator** to deploy IRA-compliant software, calculate actual savings achieved based on meter

² Twenty-eight years ago, the General Court passed nation-leading electric industry restructuring legislation with the purpose of “reduc[ing] costs for all consumers of electricity by harnessing the power of competitive markets” and with principles that include customer choice and providing incentives for appropriate demand-side management. In RSA 374-F:1, the General Court went on to state that “increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry...” Furthermore, “a transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire Constitution, which reads in part: **“Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it.”**

More recently, the Department of Energy's July 2022 New Hampshire 10-Year State Energy Strategy includes similar goals and recommendations including:

- New Hampshire policymakers should pursue market-based mechanisms for achieving cost effective energy;
- New Hampshire should seek to foster an environment where new and emerging technologies can flourish by the value they may bring to the market; and
- Goal 7, Encourage market-selection of cost-effective energy resources.



data, standardize program delivery for contractors and customers, and satisfy program reporting compliance obligations.

- ⚡ **Leverage the Multi-Use, Statewide Energy Data Platform** to satisfy DOE Data Access Guidelines for the HOMES program and streamline meter data access for the Program Administrator and third parties.
- ⚡ **Incorporate Demand Response standards into HEEHRA program appliance requirements**, to the extent feasible, to boost demand flexibility capacity throughout the state and maximize savings for customers.
- ⚡ **Plan for innovation in eligible metering and telemetry technologies as the market evolves.**

Each of our recommendations is further detailed below:

1. **Prioritize a measured savings pathway for implementing the HOMES rebate program**

A key program design choice for the Department is whether to: (1) continue programs that provide rebates based on the “modeled” or “deemed” savings approach, which relies upon software that attempts to simulate what a project’s savings could be; or (2) to begin providing rebates based on actual “measured” energy savings.

The IRA requires programs that adopt the measured savings approach to “use open-source advanced measurement and verification software... for determining and documenting the monthly and hourly (if available) weather-normalized energy use of a home before and after the implementation of a home energy efficiency retrofit.” CPCNH understands that software based on the OpenEEMeter code base (which was partially funded by the DOE and is open source) is commercially available, meets this IRA definitional requirement, and is becoming increasingly deployed in states that see the wisdom in adopting a market-based approach to energy efficiency.

As such, CPCNH recommends that the Department promulgate the measured savings program design for implementing the HOMES rebate program. Doing so will:

- ⚡ Create a “pay-for-performance” market that mitigates risks to customers by placing the onus to deliver measurable and verified energy savings on contractors and aggregators.



- ⚡ Leverage private capital and incent competition amongst aggregators and contractors to identify and pay for the implementation of high value projects upfront (in exchange for receiving rebate awards thereafter based on delivered performance).
- ⚡ Increase funding amounts for projects that benefit LMI households. (For example, according to Sealed's HOMES incentive model, it is estimated that the measured pathway would provide average rebates of ~\$6,000 for LMI homes with the highest energy usage, e.g., for those homes with poor insulation, versus only ~\$4,000 under the modeled pathway).³
- ⚡ Generally, allow for larger rebates to be provided for projects that actually save more energy, while mitigating the risk of over-paying for retrofits that fall short of achieving acceptable levels of customer savings — which will safeguard and ensure that New Hampshire residents get the biggest “bang for their buck” out of these taxpayer funds.

In short, promulgating the measured pathway in the Department's program design represents a seminal opportunity to implement a "pay-for-performance" market for delivering energy efficiency in New Hampshire.

CPCNH understands that this represents a paradigm-shift for how efficiency is delivered in the state. Transitioning the efficiency marketplace from a deemed savings paradigm to a measured savings approach based on customer meter data will require a transition period, as contractors and aggregators evolve their business models and develop new strategies to succeed in a technology-neutral, performance-based rebate environment. CPCNH further recommends that if current programs are modified to reflect HOMES rebate program requirements but continue to rely upon modeled or deemed savings for a certain period of time, that these programs still be subject to evaluation using the same software required by the IRA under the measured savings approach. CPCNH observes here that understanding the actual metered impacts will provide important insights that will be essential for the state to achieve the 70% realization rate required by USDOE.

³ See Sealed's [HOME Incentive Model](#) which purports to use a similar methodology with that of the USDOE's [HOMES Measured Path Incentive Payment Calculator](#) though notes that the USDOE's calculator may result in “slightly different incentive estimates.” For the purpose of CPCNH's analysis using the Sealed Model, the figures are based on the assumptions that customers are starting with electricity as their current heating fuel and 100% energy use relative to the average home in NH.



2. Create a unified and efficient market by hiring a Statewide Program Administrator

Given New Hampshire's size, and the fact that many programs are already coordinated via NH Saves, there are significant benefits to the Department and the state for issuing a Request for Proposal (RFP) to contract with a single Program Administrator to: (1) deploy and maintain IRA-compliant software; and (2) standardize program delivery for contractors and customers on a statewide basis.

The Program Administrator hired would be responsible for performing all of the necessary back-end work to receive project data from contractors and meter data from utilities, calculate project- and program-level savings each month (using IRA-compliant / OpenEEMeter-based software), process rebates to customers and contractors based on the actual project savings, and satisfy all applicable program reporting requirements.

This approach will ensure that the specialized "block and tackle" infrastructure needed to operate a technology-neutral, performance-based market for energy efficiency is deployed in a standardized fashion, statewide, which will enhance efficiency and avoid unnecessary duplication of administrative and program reporting / compliance processes.

Regarding the need to screen and determine qualified contractors, the Department could leverage existing processes used in the NH Saves Program or work with stakeholders to develop an appropriate process.

3. Leverage the Multi-Use, Statewide Energy Data Platform

Foundational to advancing a 'pay-for-performance' market that awards rebates based on actual energy savings is a seamless and secure way for the Program Administrator, aggregators, and third parties to access customer energy usage data in a standardized format across all utility territories.

Given the work that NH stakeholders, including via the Data Platform Governance Council, have already invested in over the past four years, CPCNH recommends that the Department highlight the benefits of the use of the Statewide Energy Data Platform in its application to enable simple, ease of use in ensuring that the Program Administrator, individual customers, and their designated third parties, can access their electricity and natural gas usage data through certified Green Button Connect protocols and interval data



streams (whether monthly, daily, hourly, or sub-hourly, depending on availability) via modern APIs.

CPCNH observes that the anticipated deployment timeline for the data platform — operational by the end of 2025 — will allow the Department to demonstrate compliance with the Data Access Guidelines required under IRA Section 50121: Home Efficiency Rebates,⁴ including the requirement that “a State must ensure that that any parties participating in a program that requires energy consumption data shall develop secure data protection and protocols and demonstrate the capability for a safe transfer of customer data” and that “a State must define the customer consent process for any instance when customer energy consumption data will be shared with a third party prior to participation.

Increased data access through the Data Platform will provide a more accurate display of how successful the HOMES program is performing for NH residents and significantly streamline the efforts required for program administration and performance reporting to the USDOE. New Hampshire's efforts in this area will help the USDOE understand that the state can meet its program goals more efficiently.

What makes the Data Platform even more relevant is the fact that the NH Data Platform Governance Council, along with joint utilities and state agencies from Connecticut and Massachusetts, intend to submit a full application for a USDOE Grid Resilience and Innovation Partnerships (GRIP) round 2 grant. If awarded, this NH-led initiative would result in a New England region-wide data access platform that could support further market harmonization across the region. As detailed in the concept paper submitted in January 2024, ~\$7 MM of the nearly \$15 MM grant would go toward implementing a Community Benefits Plan, prioritizing underserved and disadvantaged communities. **After the Data Platform is built out around the end of 2025, the HOMES program rebates could be substantially enhanced for LMI single- and multi-family households, which can complement the need to target GRIP grant community benefits to disadvantaged communities.**

This is obviously something that will evolve over time and CPCNH encourages the Department to consider these kinds of complementary capabilities to strengthen the IRA home rebate programs and support market transformation over the long-term.



4. Incorporate Demand Response standards into HEEHRA program appliance requirements

To the extent applicable, CPCNH recommends that larger appliances — such as Heat Pump Water Heaters (HPWH) common electric resistance Domestic Hot Water (DHW) heaters, and electric transportation — eligible for program rebates, be required to be demand response ready (capable of modifying energy use in response to dispatch signals and/or changes in the price of electricity). This will ensure that federal funds are further leveraged to boost demand flexibility capacity throughout the state and maximize cost savings for all ratepayers.

5. Plan for innovation in eligible metering & telemetry technologies as the market evolves

As the Department develops its proposal for the USDOE, CPCNH encourages it to consider the need to allow for flexibility as the program and market evolve over time. As an example, the majority of New Hampshire electric customers do not have interval meters; however, we know that that will change over time. As interval metering technologies evolves and becomes more ubiquitous across the state, efficiency contractors should be incentivized to focus on shaving peak loads.

Related, CPCNH is aware of certain Program Administrators being capable of incorporating more granular data from sub-metering devices into the measured savings approach. This is a potential way that customers in New Hampshire could be provided rebates for lowering demand at peak times through efficiency and DR technologies and be paid for that performance through these rebate programs without requiring upfront investment and in advance of large-scale interval metering deployments by NH utilities. CPCNH recommends that the Department indicate interest in such advanced capabilities in the competitive solicitation to hire a Statewide Program Administrator.

CONCLUSION

CPCNH appreciates the Department's consideration of our responses and looks forward to working collaboratively to successfully implement the HOMES and HEEHRA programs and deliver value for our customers, communities, and all NH ratepayers through the creation of a performance-based, technology-neutral market for energy efficiency.



We welcome the opportunity to discuss our comments in further detail as the Department develops its application. If you have any questions, please do not hesitate to contact Ms. Deana Dennis, Director of Regulatory & Legislative Affairs (deana.dennis@communitypowernh.gov) or myself.

Respectfully submitted,

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