

34 *SAW*

THE STATE OF NEW HAMPSHIRE

CHAIRMAN  
Amy L. Ignatius

COMMISSIONERS  
Robert R. Scott  
Martin P. Honigberg

EXECUTIVE DIRECTOR  
Debra A. Howland



**PUBLIC UTILITIES COMMISSION**  
21 S. Fruit Street, Suite 10  
Concord, N.H. 03301-2429

TDD Access: Relay NH  
1-800-735-2964

Tel. (603) 271-2431

FAX (603) 271-3878

Website:  
www.puc.nh.gov

April 3, 2014

The Honorable Mary Jane Wallner, Chairman  
Fiscal Committee of the General Court  
State House  
Concord, NH 03301

Her Excellency, Governor Margaret Wood Hassan  
and the Honorable Council  
State House  
Concord, NH 03301

Your Excellency, Honorable Councilors and Representative Wallner:

**REQUESTED ACTION**

Pursuant to RSA 14:30-a, VI authorize the New Hampshire Public Utilities Commission (Commission) to accept and expend \$7,500,000.00 from RGGI, Inc. for distribution to electric distribution companies for core energy efficiency programs and rebates to retail electric ratepayers, effective upon Fiscal Committee and Governor and Council approval through June 30, 2014. 100% Other Funds.

These funds are to be budgeted in Greenhouse Gas 125-O:23 as follows:

<b>Fiscal Year Summary</b>				
02-81-81-811010-54530000 Greenhouse Gas 125-O:23				
<b>Class</b>	<b>Description</b>	<b>FY 14 Approved</b>	<b>FY 14 Inc/(Dec)</b>	<b>FY 14 Modified</b>
20-500200	Current Expenses	190		190
27-582703	Transfers to DoIT	1,701		1,701
28-582814	Transfers to General Services	1,045		1,045
29-500290	Intra-Agency Transfers	22,811		22,811
39-500188	Telecommunications	110		110
40-500800	Indirect Costs	143		143
49-584995	Transfers to Other State Agencies	289,705		289,705
70-500704	In-State Travel Reimbursement	200		200

73-500579	Grants Non-Federal	9,451,837	7,500,000	16,951,837
80-500710	Out of State Travel	2,000		2,000
<b>Totals:</b>		9,769,742	7,500,000	17,269,742

<b>Source of Funds</b>				
<b>Class</b>	<b>Description</b>	<b>FY 14 Approved</b>	<b>FY 14 Inc/(Dec)</b>	<b>FY 14 Modified</b>
008-406878	Energy Efficiency Fund	9,769,742	7,500,000	17,269,742
<b>Totals:</b>		9,769,742	7,500,000	17,269,742

### EXPLANATION

In 2008, the legislature authorized the state's participation in the Regional Greenhouse Gas Initiative (RGGI), a cooperative effort with nine other states to reduce the emissions of carbon dioxide (CO2) through a cap and trade program. RGGI, Inc. distributes the proceeds from the quarterly auctions of CO2 allowances to the participating states. In 2008, the legislature also created a Greenhouse Gas Emissions Reduction Fund (GHGERF), appropriated to the Commission, as a depository for the proceeds.

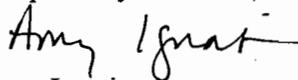
HB 1490 (2012, effective January 1, 2013) replaced the GHGERF with the Energy Efficiency Fund (EEF), required that any proceeds over a threshold price of \$1 per allowance be rebated to default service customers, and allocated the remaining proceeds, after payment of administrative costs, to core energy efficiency programs that are funded by the systems benefit charge. In 2013, legislation further amended the statute by expanding the customer rebate to include all retail electric ratepayers regardless of their source of energy supply, effective January 1, 2014.

The combined September and December 2013 auction proceeds totaled \$9,356,424.54 and were distributed to default service electric ratepayers and, after costs, to the electric distribution companies for core energy efficiency programs, as required. The March 2014 auction yielded additional revenues of \$4,325,624 which, when deposited into the EEF, exceeds the Commission's authorized appropriation. The June 2014 auction proceeds are unknown at this time and will not be known until the auction occurs in mid-June. The Commission anticipates that they will be lower than the March 2014 auction, such that the total auction proceeds in the March and June auctions would not be expected to exceed \$7,500,000. In order to distribute the auction proceeds from both the March and June 2014 auctions before the year end closing of FY 2014, the Commission is requesting that the appropriation for Grants Non-Federal be increased by \$7,500,000. In no case would final distribution of the June estimate be dispersed until after the June auction funds are recognized.

In the event that the auction proceeds are less than anticipated, General Funds will not be requested to support these expenditures.

Your consideration of our request is appreciated.

Respectfully submitted,



Amy Ignatius  
Chairman

FISCAL SITUATION

Original Appropriation	\$9,769,742
Add March Auction Revenues	4,325,624
Anticipated June Auction Revenues	3,174,376
Adjusted Authorized	\$17,269,742