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Innovative Approaches to Climate Change:  
A State-Federal Workshop  
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# New Hampshire's Approaches

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- Action plan
- Energy efficiency programs – new Executive Order
- Greenhouse gas registry
- Cap on power plant emissions
- Renewable energy



# NH's Climate Change Challenge

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- December 2001
- >70 recommendations (voluntary & regulatory)
- In support of NEG/ECP goals
  - Short term 1990 emission by 2010
  - Mid term 10% below 1990 by 2020



# Mitigation Strategies

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- Power Generation
- Transportation
- Commercial/Industrial
- Residential



# Main Focus on Energy Use

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## Examples:

- State-wide energy efficiency programs via systems benefit charge
- Cap on fossil fuel emission from power generation
- Alternative fuels programs



# Improving Energy Efficiency of State Government

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- Track energy use and costs
- Upgrade energy performance of existing buildings
- Build energy performance into new buildings
- Require energy efficiency in purchasing
- Improve energy efficiency of fleets



# Steering Committee

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- Departments of Administrative Services, Transportation, Safety and Environmental Services
- Establish final policy recommendations for existing buildings, new construction, purchasing and fleets



# Energy Tracking

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- Many independent accounts
- No centralized system to assess each facility's performance
- No historical data to assess trends
- Common problem



# NH GHG Registry

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- DES Rule focuses on project emission reductions
- DES encourages submittal of inventory information
- Future revisions – adoption of regional registry



# From Concept to Reality

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Developed with multi-stakeholder, bi-partisan support

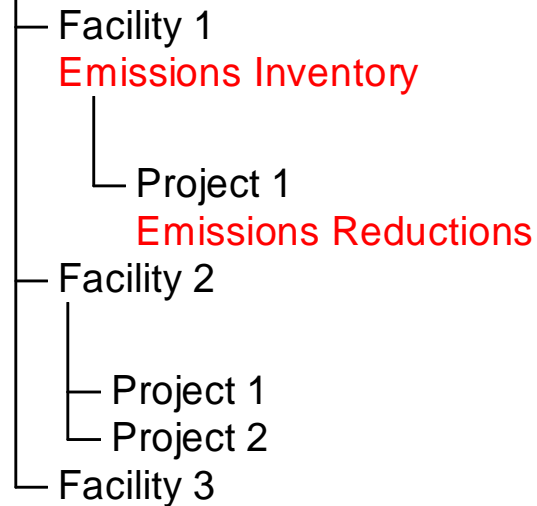
- Republicans and Democrats
- Business & Industry Association
- Audubon Society
- Forest Society
- NH Air Resources Council



# Design of NH Registry

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## Company Information



# NH's Clean Power Act (RSA 125-O)

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- Pledge by Governor Shaheen during campaign
- Directed DES to draft a legislation
- Drafted Clean Power Strategy (rationale) for legislative review
- Drafted legislation
- Negotiations on CO2 level and mercury



# CO<sub>2</sub> Emissions Caps under NH's Clean Power Act (RSA 125-O)

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- Phase I (2007 through 2010): 5,425,866 tons
- Phase II (2011 and beyond): DES recommended in March 31, 2004 letter
  - 25% lower cap (4,069,400 tons) if regional trading program adopted
  - Compliance options:
    - Repowering
    - Investment in renewables and energy efficiency
    - Shifting mix of generation



# Phase II (2011 and beyond) cap contingent upon

- Adoption of a regional multi-sector “offset” trading program

For example, some reductions registered under NH’s GHG Reductions Registry (posted at <http://www.des.state.nh.us/ARD/ClimateChange/ghgr.htm>) could be traded to power plants

- Consistency with any cap of power sector CO<sub>2</sub> emissions implemented under a regional “cap-and-trade” program



# Affected Sources under NH's Clean Power Act (RSA 125-O)

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- PSNH Merrimack (MK) Station Units 1 & 2
- PSNH Newington (NT) Station Unit 1
- PSNH Schiller (SR) Station Units 4, 5, & 6
  - Unit 5 will cease to be an affected source after it is repowered to primarily biomass
- Under RGGI – add
  - AES Granite Ridge (Londonderry)
  - Newington Energy (affiliated with ConEd)



# Alternative Compliance Mechanisms

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- Banking early reductions
- Investments in energy efficiency
- Investments in renewable energy
- Repowering



# Lesson Learned

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- Had to be acceptable to everybody
- Balance as to what's politically viable and the best environmental protection
- Discussions with all parties as to merit/rationale
- Bi-partisan support
- Sponsor was head of key legislative committee



# Renewable Energy in NH

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- Great resistance against regulation of power for public good due to past experience
- Concern over unforeseen price impacts
- Let renewables “compete” on own merit
- Little recognition of barriers

