NHEC Perspectives on Energy Efficiency and Renewable Energy

October 9, 2008

Steve Kaminski
VP, Power Resources and Access
Responding to Rising Energy Costs

- Presentation Objectives

  Ŷ Show the scope of the Co-op’s energy efficiency and retail renewables initiatives

  Ŷ Describe NHEC’s wholesale energy and renewable resources and procurement approach
NHEC Organizational Demographics

- Service territory – approximately 1/3 of NH in all or part of 116 towns
- 2nd largest electric utility in NH and largest with its HQ located in the state
- Offices – 10 district offices and HQ
- Miles of line – approximately 5,400
- Services – 80,000 +
  - 86% Residential (30% second home owners) with 61% energy usage
  - 14% Commercial and Industrial with 39% energy usage
- Employees – 225; Directors – 11
- Wholesale Coincident Peak ~170 MW; Energy Requirements ~800,000 MWh
Multiple Paths to the Same Conclusion

What is good for our members

- Raise Awareness
- Improve Load Management
- Expand Energy Efficiency
- Increase Renewables

Issues with Peak Oil (Prices Spikes)
Issues with U.S. Dependence on Foreign Oil
Issues with Siting Generation & Transmission lines
Issues created by Uncontrolled Energy Growth
Member Detachment
Other Environmental/Economic (Jobs) concerns
Desire to Control & Fix Future Supply Costs

Issues with Global Warming/Climate Change

Member Detachment
NHEC Strategic Themes

• Achieve Financial Strength
• Provide Superior Service
• Act Socially & Environmentally Responsible *(New in 2007)*
  – Encourage the efficient use of energy
  – Seek renewable energy from sources that are cost-effective and appropriate to NHEC’s power resources portfolio
  – Encourage and promote programs that support maintaining the quality of New Hampshire’s environment and character
  – Support local and regional economic development efforts
  – Encourage employee participation in community organizations and activities
  – Provide resources to support community service organizations through the NHEC Foundation
Energy Efficiency Programs
Value to our Members

The portfolio of statewide programs coupled with those programs specific to the Co-op:

- Provide a comprehensive response to our members requests for help in managing their energy costs,
- Create local jobs such as performing energy audits and installing efficiency measures,
- Retain $$$ for members to invest back into their homes, businesses and/or communities,
- Can improve the T&D system reliability during peak loads, and
- Support the Co-op’s stewardship of the environment to sustain the “NH Quality of Life.”
What Are The New Hampshire “CORE” Energy Efficiency Programs?

- Portfolio of programs to improve efficiency
  - 5 designed for residential customers
  - 3 targeted to business customers

- Statewide – all NH customers have access

- Administered by partnership of the Co-op and three NH IOU’s

- Funded through NH System Benefits Charge
  - Energy Efficiency: $0.0018 per kWh ($20.6 M)
  - Low Income: $0.0012 per kWh ($13.7 M)

[As of October 1, 2008: $0.0015 per kWh (~$17 M)]
Residential Programs

- **Home Energy Solutions**
  - Assists high electric use households with energy efficiency improvements to their homes
  - Basic services include insulation, weatherization, electric hot water measures, and cost effective appliance and lighting upgrades

- **Home Energy Assistance**
  - Helps income-qualified members better manage their home’s energy use
  - Basic services include insulation, weatherization, appliance and lighting upgrades, and appropriate health and safety measures
Residential Programs - Continued

- **Energy Star**

  - **Homes** – Offers incentives for members to build new homes that are 15% more efficient than required by code

  - **Lighting** – Offers incentives for interior and exterior ENERGY STAR-rated bulbs and fixtures

  - **Appliances** – Offers residential members:
    - $50 rebate on ENERGY STAR-rated clothes dryer
    - $20 rebate on ENERGY STAR-rated room air conditioners
Commercial & Industrial Programs

- **Small Business Energy Solutions**
  YOffers turnkey energy efficiency services and incentives toward the installed cost of electrical energy efficiency improvements.

- **Large Business Energy Solutions**
  YOffers incentives towards the installation of energy-efficient equipment in an existing facility.

- **New Equipment & Construction**
  YAssists with new construction, major renovation, or replacement of failed equipment; incentives and technical assistance services are available.
Small Business Energy Solutions

- **The Opportunity**
  - Small grocer & deli seeking savings on refrigeration & cooler door heating costs

- **The Solution**
  - Installed new energy-efficient motors, heater controls and Economizer cooling unit

- **The Result**
  - Annual saving of 50K kWh & $7,450
  - Emission reduction of 35,500 # CO$_2$
Large Business Retrofit

- **The Opportunity**
  - Automotive parts manufacturer looking for more efficient and higher quality lighting for their offices and manufacturing floor

- **The Solution**
  - Replaced inefficient T12 metal halide lamps with HPT8 lamps and high bay T5 fixtures

- **The Result**
  - Annual saving of 395K kWh & $47,500
  - Emission reduction of 598,000 # CO₂
“smartSTART” Program
Savings Through Affordable Retrofit Technologies

- The Opportunity
  - Co-op provides a hassle-free way to install energy efficient technologies with no upfront costs and no new debt obligation while reducing energy costs and saving money immediately.

- The Solution (Example)
  - A ski area expends $56,300 to install two new high efficient snow guns that use 25% less compressed air while putting out more snow.

- The Result (Example)
  - Annual savings of $48,288
New Hampshire Electric Co-op
Serving the Granite State

MEMBERS
Pay Online
SECURE LOGIN
Privacy Policy
Forgot Your Password or Email?
Resume Account Activation Email?

Energy Solutions
Good for your wallet
Great for New Hampshire

Solar Hot Water
Is Here!
Rebates Up to $1,500
Enroll Now!

Recurring Payment

Marathon Water Heaters
Buy Direct From NHEC

SmallSTEPS
Start With You
Save Energy, Save Money

WildBlue Satellite Speed Internet
Get Connected...

The NHEC Foundation
Together We Can Help

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1-800-696-2007 - fax: 603-536-0697 - smallSTEPS Member Solutions (Sitemap)
Privacy Policy & Terms of Use
Green Christmas
This year, give the earth a gift too

The holidays don’t have to be all about the “stuff.” You can adhere to eco-conscious values and still give great gifts. Check the list below for some gift ideas that they might love better than another scarf or tie. This list is by no means exhaustive. Type “green gifts” into any Internet search engine and browse to your heart’s content.

- Stocking Stuffers: Compact Fluorescent Light bulbs (CFLs) and tree gauges. CFLs use up to 75% less energy than standard incandescent light bulbs and last up to 10 times longer. A tree gauge helps keep trees properly watered, which saves gas and helps cut greenhouse gas pollution.
- Composition: A number of styles and sizes are available. Throw to things like junk mail, fruits and veggies waste, glass clippings, wood chips, etc. Keep moist for a summer and you’ve got soil for the garden that’s rich in organic nutrients.
- National Parks Pass: The National Park Service’s new Annual Interagency Pass offers access to all public lands across the country that currently charge entrance or standard amenity fees offering visitors a simple and cost-effective way to access multiple recreation sites. The new Annual pass is available for $30 online at http://store.nps.gov/passes.

Give a Green Gift that Isn’t a Thing:
- a gym membership
- tickets to whale watching trips
- a pair of weekend tickets to a ski area
- a museum pass or membership
- give an experience (a day tasting)
- a gift certificate for a lesson (harness, swimming, drums, for example)
- a gift certificate for a dinner for two
- donate something in the name of a friend or relative, in a subject area of interest to them
- a gift certificate to a used book store
- a plant or a tree

www.smallSTEPS.coop

FEATURE ARTICLE: Alternative Energy In Action
Co-Op Member Greg Kelley Shows How It’s Done

The leaves are just beginning to turn at Greg Kelley’s place, but the most beautiful sight is attached to his house—an electric meter spinning backwards.

With the sun warming a roof full of solar panels and a gentle breeze pushing a 50-foot sail, windmill in the side yard, Kelley’s electric consumption for the past 30 days dips from 27 kilowatt-hours (kWh) to 26. This is the payoff for a Co-op member who used to consume over 750 kWh per month and more than 1,400 gallons of oil per year. Kelley’s New Durham home is a showcase of alternative energy. The solar photovoltaic system is generating 400 kWh of electricity per month; the Siemens wind turbine adds another 200 kWh per month; a bank of solar collectors provides hot water, part of which is used for radiant floor heat. Every light fixture contains Compact Fluorescent Lights (CFLs), every appliance is ENERGY STAR® rated; every window is Anderson® 400 Series Low-E argon filled glass, the house is wrapped in R-30 insulation; the whole house generator is powered by a motor that runs on bio-diesel… the list goes on and on. Kelley knows not everyone will make the investment he has, but he believes the mindset that underlies it is becoming more common.

“When we’re momentum building right now,” he says, “this is an exciting growth field. There is an opportunity for America to...”
Take small steps for a better energy future

ENERGY CONSERVATION

By Fred Anderson

It wasn’t long ago that energy was something most people took for granted. Gas was plentiful and cheap, renewable energy was something only “tree huggers” talked about and global warming was an exotic theory.

How times have changed.

These days, energy conservation has gone mainstream. Driven in part by high gas prices and increasing concern over the global climate, more and more Americans are starting to understand that energy isn’t just part of the quality of life we enjoy, it’s the key to it.

As a provider of electricity to more than 160,000 people in the state, New Hampshire Electric Cooperative has the opportunity and, we believe, the obligation to promote energy efficiency, conservation and the development of renewable energy. Part of that effort you may have seen recently on television in a series of commercials called smallSTEPS.

At the heart of the co-op’s smallSTEPS campaign is the belief that you don’t have to spend a lot of money or radically change your lifestyle to reduce carbon emissions and save energy.

For instance, if every American home replaced just one incandescent light bulb with a compact fluorescent light (CFL), we would save enough energy to light more than 3 million homes for a year, more than $600 million in annual energy costs, and prevent greenhouse gases equivalent to the emissions of more than 800,000 cars. CFLs are good for your wallet too – a $5 light lasts up to 10 times longer than standard bulbs and saves you approximately $30 per year in electric costs.

The smallSTEPS television commercials and our new Web site – smallsteps.coop – are the most visible part of our effort to foster greater social and environmental responsibility. We’ve launched several other initiatives that back our words with actions, including:

• Rebate offers of up to $1,500 on installation of solar hot water systems
• Rebate offers of up to $3,000 on installation of small wind generators
• Free home energy audits to 50 members
• Distribution of 1,000 free home energy kits
• Conversion of all NHEC facilities to energy-efficient lighting
• Installation of solar hot water at Plymouth headquarters facility
• Began conversion of NHEC fleet to hybrid and ultra low sulfur diesel vehicles

The electricity the co-op buys for use by its members comes from a variety of sources, most of which burn fossil fuels to generate power. Unfortunately, renewable energy in New England is not plentiful or cheap enough at this time to justify a dramatic shift to renewables in our power purchasing.

However, the co-op will be doing its part to transform the regional renewable energy market over the next two decades by steadily increasing the amount of power we purchase from renewable resources. To that end, we have joined the 25 x ’25 Coalition, a broad-based, non-partisan alliance whose goal is to derive 25 percent of the nation’s power from renewable resources by the year 2025.

In the meantime, we hope you’ll take the smallSTEPS message to heart and join the growing number of people who understand that together, we can make a difference.

Fred Anderson is president and chief executive of the New Hampshire Electric Co-op.
NHEC’s Energy Efficiency Programs
June 2002 – December 2007 Impacts

- Saved approximately **294 million lifetime kWh**
- Served **31,401 members** – more than 33% of our membership
- Saved members more than **$45 million** – the amount they would have paid for energy no longer needed. These savings are more than eight times the cost of NHEC’s programs
- Reduced emissions by **185,492 metric tons** – like taking 40,154 cars off the road for a year
The Co-op Board resolved in May, 2007 to provide additional (non-SBC) funds for **additional end-user efficiency and renewables initiatives ($750,000 budgeted in 2008):**

- Increasing member awareness through a comprehensive education program, “smallSTEPS”
- Expanding the scope of the Energy Audits Program
- Implementing installation incentives to support the Solar Hot Water Program
- Instituting a Small Wind (1kW) Rebate Program
- Instituting a Solar Photovoltaic Rebate Program
- Deploying additional load management switches
NHEC’s Solar Hot Water Rebate Program

**HOW TO GET STARTED**

1. Go to the www.nhsteps.coop website (or call 800-498-2007 to speak to one of our Member Solutions representatives).
2. Choose your Program - solar hot water
3. Start with the Program Information Sheet
4. Read and understand the program Terms & Conditions and Frequently Asked Questions.
5. Complete the Application form.
6. Include a signed cost estimate, proposal, purchase order, or letter of intent from a qualified installer.
7. Take four (4) pictures of home or building at 1 PM during Daylight Savings Time (summer) or 12 PM during Standard Time (winter) where system will be installed.
   - facing the building with south behind you
   - with the building to your back, facing south
   - from the south side of the building, facing west
   - from the south side of the building, facing east

   **Save 50-80% off your hot water energy cost!**

A typical solar hot water system consists of two 4 ft. x 6 ft. solar panels, or 22-30 evacuated tubes, a solar storage tank, a heat exchanger and a domestic hot water tank. Most systems will be closed loop filled with glycol for year-round use. Systems are typically designed to meet no more than 85% of winter hot water needs so as to not over-produce hot water in the summer.

**THE FINE PRINT - solar hot water**

- Collectors must face south (within 40°).
- Collectors must be tilted 40° to 60° above the horizon.
- Building must be used at least 5 months of the year for more.
- Building must have sufficient hot water needs for a qualified installer to deemed the project feasible regarding payback, energy savings, etc.
- Solar collectors and system will remain permanently installed for at least 10 years.
- There is a Federal Tax Credit of 30% of the installed cost, $2,000 cap for residential or $2,500 for businesses.
- NHEC co-op program provides rebates of 25% of installed cost up to $1,500.
- Systems must be installed in NHEC service territory.
NHEC’s Small Wind Turbine Rebate Program

**HOW TO GET STARTED**

1. Go to the www.smallSTEP.coop website or call 800-663-2007 to speak to one of our Member Solution representatives.
2. Choose your Program - small wind turbine
3. Start with the Program Information Sheet
4. Read and understand the program Terms & Conditions and Frequently Asked Questions.
5. Complete the Application form. Form must include:
   a. A signed cost estimate, proposal, purchase order, or letter of intent from a qualified installer.
   b. Pictures of home or building showing where wind turbine will be located. Take pictures facing north, south, east, and west.

**A typical 2kW system can produce 3000 kWh/yr**

**Basic Parts of a Small Wind Electric System**

- Rotor
- Generator/alternator
- Tower

**THE FINE PRINT - small wind turbine**

- Systems must be installed in NHEC service territory.
- Sufficient evidence of available wind.
- Project must be deemed feasible regarding payback, energy savings, practicality, etc., by a qualified installer.
- Wind Turbine System must remain permanently installed for at least 10 years.
- The NHEC program provides rebate of 25% of installed cost up to $5,000.
NHEC’s Solar Photovoltaic Rebate Program

HOW TO GET STARTED

1. Go to the www.smallSTEPScoop website (or call 800-396-2007 to speak to one of our Member Solutions representatives).
2. Choose your Program – solar photovoltaic
3. Start with the Program Information Sheet
4. Read and understand the program Terms & Conditions and Frequently Asked Questions.
5. Complete the Application form, including:
   a. A signed cost estimate, proposal, purchase order, or letter of intent from a qualified installer
   b. Take four (4) pictures of home or building at 1 PM during Daylight Savings Time (summer) or 12 PM during Eastern Standard Time (winter) where system will be installed,
      • facing the building with south behind you
      • with the building to your back, facing south
      • from the south side of the building, facing east
      • from the south side of the building, facing west

THE FINE PRINT - solar photovoltaic

• Sufficient evidence of available solar exposure
• Solar PV system will remain permanently installed for at least 10 years.
• There is a Federal Tax Credit of 30% of the installed cost, $2,000 cap for residential (2006).
• The NHEC-coop program provides rebates of $3,00 per Watt DC STC (Standard Test Conditions) up to $3,000 per location/project.
• Systems must be installed in NHEC service territory.
NHEC “Co-op Power” Wholesale Resources

Over the last several years the Co-op Board and staff have a resource procurement approach aimed at managing risk and cost volatility in its “Co-op Power” wholesale portfolio through diversity, flexibility, and optionality

- Bilateral contracts v. NEPOOL market purchases
- Staggered term lengths
- Multiple suppliers
- Fuel diversity, incorporating renewables (both energy and RECs)
- Load following requirements v. shaped blocks
- Fixed electricity v. heat rate / gas index & options pricing
- Physical v. financial settlement
- System v. generator-specific contracts
- Generation ownership v. purchased power contracts
NHEC’s Energy Resource Portfolio (Illustrative)
In May, 2007 the Co-op Board resolved to endorse the 25 x ’25 Vision sponsored by the Energy Future Coalition:

By the year 2025, America’s farms, ranches and forests will provide 25 percent of the total energy consumed in the United States, while continuing to produce safe, abundant and affordable food, feed and fiber.

www.25x25.org www.energyfuturecoalition.org
In July, 2007 the Co-op Board resolved to support the development and procurement of renewable resources both in the mix of NHEC’s ‘Co-op Power’ energy service offered to the members, through purchase of REC’s without energy, striving to exceed the minimum Renewable Portfolio Standard levels mandated by HB 873, by:

- cover wholesale to retail delivery losses on top of the HB 873 retail sales based obligations;
- setting Corporate Scorecard stretch goals even higher than HB 873 plus delivery losses.
## NHEC’s Estimated RPS Targets & Costs

<table>
<thead>
<tr>
<th>Estimated Maximum Additional Costs for NHEC Compliance with HB 873</th>
<th>sak 20080313 revision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assuming Energy Procurement of (MWh/year) (assumed 2% growth):</td>
<td>863,541 851,563 859,665 878,858 894,395 912,283 930,529 949,140 1,156,998</td>
</tr>
<tr>
<td>For Retail sales of (Using 11% losses to PTF) (MWh/year):</td>
<td>759,947 767,174 774,473 789,962 805,762 821,877 838,314 855,081 1,042,339</td>
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<tr>
<td>Percentage Requirements (Class I increases an additional 1% per year from 2013 through 2025—other classes remain constant after 2014, subject to adjustment by legislation or the Commission)</td>
<td>2008 2009 2010 2011 2012 2013 2014 2015 2025*</td>
</tr>
<tr>
<td>Class I – post-1/1/2006 wind, geo, ocean, methane, fuel cells, biomass</td>
<td>0.00% 0.50% 1.00% 2.00% 3.00% 4.00% 5.00% 6.00% 18.00%</td>
</tr>
<tr>
<td>Class II – new solar</td>
<td>0.00% 0.00% 0.04% 0.08% 0.15% 0.20% 0.30% 0.30% 0.30%</td>
</tr>
<tr>
<td>Class III – existing biomass and methane</td>
<td>3.50% 4.50% 5.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50%</td>
</tr>
<tr>
<td>Class IV – existing small hydro</td>
<td>0.50% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00% 1.00%</td>
</tr>
<tr>
<td>NHEC MWh Requirements</td>
<td>2008 2009 2010 2011 2012 2013 2014 2015 2025*</td>
</tr>
<tr>
<td>Class I – post-1/1/2006 wind, geo, ocean, methane, fuel cells, biomass</td>
<td>0 4,258 8,597 17,537 26,832 36,491 46,526 56,948 185,119</td>
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<tr>
<td>Class II – new solar</td>
<td>0 0 344 701 1,342 1,825 2,792 2,847 3,471</td>
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<tr>
<td>Class III – existing biomass and methane</td>
<td>29,523 38,320 47,282 56,995 58,135 59,289 60,484 61,694 75,200</td>
</tr>
<tr>
<td>Class IV – existing small hydro</td>
<td>4,218 8,516 8,597 8,769 8,944 9,123 9,305 9,491 11,570</td>
</tr>
<tr>
<td>Proposed Alternative Compliance Payments ($ per MWh) (Fixed rates specified for 2008 are the statutory rate escalated for CPI per PUC letter dated 1/31/2008, thereafter increased for assumed 2% CPI increase each year)</td>
<td>2008 2009 2010 2011 2012 2013 2014 2015 2025*</td>
</tr>
<tr>
<td>Class I – post-1/1/2006 wind, geo, ocean, methane, fuel cells, biomass</td>
<td>$ 59.58 $ 60.77 $ 61.99 $ 63.23 $ 64.49 $ 65.78 $ 67.10 $ 68.44 $ 83.43</td>
</tr>
<tr>
<td>Class II – new solar</td>
<td>$ 156.45 $ 159.58 $ 162.77 $ 166.03 $ 169.35 $ 172.73 $ 176.19 $ 179.71 $ 219.07</td>
</tr>
<tr>
<td>Class III – existing biomass and methane</td>
<td>$ 29.20 $ 29.78 $ 30.36 $ 30.99 $ 31.61 $ 32.24 $ 32.88 $ 33.54 $ 40.89</td>
</tr>
<tr>
<td>Class IV – existing small hydro</td>
<td>$ 29.20 $ 29.78 $ 30.36 $ 30.99 $ 31.61 $ 32.24 $ 32.88 $ 33.54 $ 40.89</td>
</tr>
<tr>
<td>Class I – post-1/1/2006 wind, geo, ocean, methane, fuel cells, biomass</td>
<td>$ - $ 256,754 $ 532,681 $ 1,108,818 $ 1,730,422 $ 2,400,441 $ 3,121,774 $ 3,897,473 $ 15,443,838</td>
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<td>Class II – new solar</td>
<td>$ - $ - $ 55,971 $ 116,465 $ 227,194 $ 315,164 $ 491,844 $ 511,715 $ 765,382</td>
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<td>Class III – existing biomass and methane</td>
<td>$ 862,099 $ 1,141,333 $ 1,436,399 $ 1,766,144 $ 1,837,496 $ 1,911,731 $ 1,988,965 $ 2,069,319 $ 3,074,900</td>
</tr>
<tr>
<td>Class IV – existing small hydro</td>
<td>$ 123,157 $ 253,625 $ 291,183 $ 271,714 $ 292,492 $ 294,113 $ 305,953 $ 316,357 $ 473,062</td>
</tr>
<tr>
<td>Cost per MWh over all MWh sold (cost to member in $ per MWh)</td>
<td>2008 2009 2010 2011 2012 2013 2014 2015 2025*</td>
</tr>
<tr>
<td>Class I – post-1/1/2006 wind, geo, ocean, methane, fuel cells, biomass</td>
<td>$ 0.34 0.34 0.34 0.34 0.34 0.34 0.34 0.34 0.34</td>
</tr>
<tr>
<td>Class II – new solar</td>
<td>$ 0.97 0.97 0.97 0.97 0.97 0.97 0.97 0.97 0.97</td>
</tr>
<tr>
<td>Class III – existing biomass and methane</td>
<td>$ 0.19 0.19 0.19 0.19 0.19 0.19 0.19 0.19 0.19</td>
</tr>
<tr>
<td>Class IV – existing small hydro</td>
<td>$ 0.37 0.37 0.37 0.37 0.37 0.37 0.37 0.37 0.37</td>
</tr>
<tr>
<td>Additional Cost per MWh</td>
<td>2008 2009 2010 2011 2012 2013 2014 2015 2025*</td>
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<tr>
<td>Class I – post-1/1/2006 wind, geo, ocean, methane, fuel cells, biomass</td>
<td>$ 0.00 $ 0.17 $ 0.34 $ 0.70 $ 1.07 $ 1.46 $ 1.86 $ 2.28 $ 7.41</td>
</tr>
<tr>
<td>Class II – new solar</td>
<td>$ 0.07 $ 0.17 $ 0.28 $ 0.28 $ 0.28 $ 0.28 $ 0.28 $ 0.28 $ 0.28</td>
</tr>
<tr>
<td>Class III – existing biomass and methane</td>
<td>$ 0.80 $ 0.80 $ 0.80 1.60 1.60 1.60 1.60 1.60 1.60</td>
</tr>
<tr>
<td>Class IV – existing small hydro</td>
<td>$ 0.80 $ 0.80 $ 0.80 1.60 1.60 1.60 1.60 1.60 1.60</td>
</tr>
<tr>
<td>Cost to member PER MONTH — 500 kWh monthly bill in $</td>
<td>2008 2009 2010 2011 2012 2013 2014 2015 2025*</td>
</tr>
<tr>
<td>Class I – post-1/1/2006 wind, geo, ocean, methane, fuel cells, biomass</td>
<td>$ 0.37 0.53 0.87 1.29 1.79 2.39 3.07 3.79 9.47</td>
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<tr>
<td>Class II – new solar</td>
<td>$ 0.53 0.53 0.53 0.53 0.53 0.53 0.53 0.53 0.53</td>
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<td>$ 0.87 0.87 0.87 0.87 0.87 0.87 0.87 0.87 0.87</td>
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<tr>
<td>Class IV – existing small hydro</td>
<td>$ 0.87 0.87 0.87 0.87 0.87 0.87 0.87 0.87 0.87</td>
</tr>
</tbody>
</table>

### Note:
- The statute requires REC's and/or ACP payments in quantities based on the Class Percentage of retail sales. This table assumes NHEC policy of striving to meet and exceed statutory requirement by procuring RECs in amounts necessary to cover Class Percentage of wholesale energy requirements (retail sales plus losses).
Fall 2008 – Wind Energy Comes to NHEC

Lempster Wind
Lempster, NH

Beaver Ridge Wind
Freedom, Maine
In February, 2008 the Co-op Board resolved to join the National Renewables Cooperative Organization as a founding member.

NRCO is a not-for-profit cooperative formed to promote and facilitate the development of our nation’s vast renewable energy resources for America’s electric cooperatives.

Initial members of NRCO are twenty Generation & Transmission Cooperatives serving multiple Distribution Cooperatives, and four non-affiliated Distribution Cooperatives including NHEC.
Conclusions

- NHEC’s board is committed to Social and Environmental Responsibility as a corporate value.

- The Co-op is making a significant effort and dedicating funds towards implementation of energy efficiency and renewables to meet *and exceed* mandates for the benefit of our members and the environment.

- Questions?