



HEATSMART Program Q&A

What is PSNH's HEATSMART Program?

PSNH's HEATSMART Program provides qualifying customers with a discounted kilowatt-hour rate for their separately metered space heating (and cooling if using a heat pump) and electric water heating. The discount is applied to the distribution charge, the transmission charge, and the stranded cost recovery charge components of the rate per kWh. The system benefits charge, electricity consumption tax and energy service charge components are not discounted. Based on the rates in effective as of January 1, 2008 the discount is roughly 24% as compared to the general residential rate (lights, appliances etc...) per kWh.

Pardon the Interruption...

In exchange for the lower rate, customers agree to allow PSNH to briefly interrupt service to their heating circuits during periods of high demand for electricity. PSNH can interrupt the separately metered circuits for a total of eight hours in any 24-hour period. However, no single interruption would exceed four hours in duration and the time between consecutive interruptions would be no less than 2 hours. Interruptions will not occur more than five times in a month and no more than 26 times in a year. During periods of interruption, customers would rely on their backup heating system to provide heat. A backup heating system should be sized to meet the home's heating needs during an interruption. Power to lights and appliances would not be interrupted. Based on data since 1994, HEATSMART customers have had a total of thirty interruptions. All interruptions to date, with the exception of one, have occurred in the summer months; even so, a backup heating system is still required.

How does HEATSMART work?

First of all, HEATSMART requires some wiring changes. A new HEATSMART meter must be installed which will measure the electricity used by the heating circuits. Along with the new meter, some control equipment must be installed that will allow Public Service to interrupt service to the heating circuits during periods of high demand for electricity. As an option, customers may choose to include their electric hot water heater on their HEATSMART meter. In order to be eligible, however, electric hot water heaters must be 40 gallons or larger in size.

What do I have to do to participate in the program?

To qualify, customers must have permanently installed electric heat and an approved permanently installed backup heating source sized to adequately heat the area of the premises served by the interruptible electric heat. Approved backup heating sources are limited to electric thermal storage (ETS) devices as approved by the Company or a wood, wood pellet or coal stove. Wood-fired, sealed combustion, direct vent fireplaces are acceptable if a manufacturer's spec sheet listing the unit's Btu output rating is submitted with this application and is shown to meet the sizing requirements listed above. Emergency generators are not an eligible backup heating source nor are fossil fueled fireplaces (although they may both be present). Additionally, fossil fuel based heating systems such as: oil, kerosene, propane, or natural gas do not qualify as an approved backup heating source and can not be present in the section of the premises to be served by the HEATSMART rate.

What is the one exception to the exclusion of fossil based heating systems in the home?

As stated above, a home or premise with a fossil fuel based space heating system is not eligible for the HEATSMART Program. However, if the home or premise has a clearly separate section with electric space heating as its sole source of space heating that section may be eligible for the HEATSMART Rate. One example of this scenario might be a 2 story home with the first floor heated by a fossil base space heating system and the 2nd floor having electric space heating (again, with NO fossil space heating distribution system in the space). In this case the backup heating system must be placed in the area eligible for the HEATSMART Rate (in the example above it would have to be located on the second floor).

What is an electric thermal storage unit (ETS)?

An electric thermal storage unit is a heater about the size of a large room humidifier which converts electric energy into heat and stores it in ceramic bricks. Fans in the ETS unit deliver the stored heat to the living space under thermostatic control during periods of interruption. The charging elements of the ETS are connected to the HEATSMART panel. The fan is connected to the standard house panel.

PSNH's HEATSMART Program FAQ continued (page 2 of 2)

Who can install HEATSMART?

Any New Hampshire licensed electrician can install HEATSMART. Your best choice is to work with an electrician you know and trust. If your electrician has not attended one of PSNH training seminars, we will work with him or her and provide the information needed to do the job. If you do not know an electrician, we recommend you contact and get estimates from several before making a selection.

How much does it cost?

If you choose to take advantage of HEATSMART, you will be responsible for the costs of hiring a licensed electrician to 1) install a separate electrical panel and for the wiring of the electric heating (or heat pump) circuits to this panel and 2) the costs associated with, if not already present, the back-up heating source. Costs can vary widely depending on the installation. The only way to know your cost is to get an estimate. However, in nearly every case, HEATSMART will have a shorter payback than a conversion to gas or oil.

How long would it take to get on the rate if I called PSNH today?

Typically, installation of the necessary metering and control equipment takes less than a day. However, customers generally take about a month from the time they first contact Public Service and the time their HEATSMART meter is set. This includes time to evaluate the program, select an electrician, schedule the work, get the job inspected by the local electrical inspector, and have the meter set.

Is there any warning that there will be an interruption to the heating circuits? How do I know if power to my heating circuits has been interrupted?

There is no announcement or warning before a HEATSMART interruption. Customers can purchase an indicator light that will let them know that power to their heating circuits is being interrupted. This would be of particular interest to customers using wood or coal as backup. Customers with a thermal storage unit would continue to have heat in the area serviced by the ETS unit just as if there had been no interruption.

How do I know the HEATSMART savings program will not be canceled after I invest in the conversion?

The basic rate that governs the HEATSMART program has been in place since 1982. PSNH invests more than \$600 in each HEATSMART installation, and we're making that kind of investment for the long term. Customers who have electric heat like it. With today's rising energy costs electric heat coupled with the HEATSMART discount provides a competitive alternative to fossil fuels.

I live in an apartment. Can I get HEATSMART installed?

With landlord approval you can have HEATSMART installed.

Does HEATSMART allow me to save on my air conditioning costs as well as my heating costs if I have a heat pump?

Yes, heat pump customers can save on both their heating and air conditioning with HEATSMART. While we generally associate HEATSMART interruptions with the wintertime, they are actually the result of very high demands for electricity which can occur any time, but are most likely on the coldest and hottest days of the year.

Is HEATSMART available to commercial customers?

Yes, HEATSMART is available to commercial customers with electric heat who currently take service under Rate G. Commercial customers should call PSNH for a customized savings potential analysis. The primary benefit for commercial customers is that the HEATSMART rate charges for energy only, there are no demand charges.

Is there a way to find out how much I might save with HEATSMART? How can I find out more about the program? How do I get started?

Call us any time — 24 hours a day, 7 days a week — at 1-800-662-PSNH. Your Customer Service Representative can give you a personalized savings analysis based on your electric usage during the past 12 months or based on the size and age of your home. You can also receive an information package containing everything you need to get started.