

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DE 09-170

2010 CORE ENERGY EFFICIENCY PROGRAM

Rebuttal Testimony of
Jeremy Newberger
Granite State Electric Company
d/b/a National Grid

December 9, 2009

1 **Q. Please state your full name and business address.**

2 A. My name is Jeremy Newberger. My business address is 40 Sylvan Road, Waltham,
3 Massachusetts 02451.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by National Grid (“National Grid” or the “Company”) as a Manger of
6 Energy Efficiency Regulatory Affairs for New England in the Energy Efficiency Strategy
7 and Planning Department. In my current position, I am responsible for energy efficiency
8 planning and reporting and for related regulatory efforts in support of energy efficiency
9 for the National Grid Companies, including Granite State Electric Company.

10 **Q. How long have you worked at National Grid and what positions have you held?**

11 A. I have worked at National Grid since June 1994. I have held analyst positions in energy
12 efficiency evaluation and planning and transmission market developments. In November
13 2007, I was assigned to be Manager of Evaluation and Planning for energy efficiency. I
14 assumed my current position in April 2009.

15 **Q. Please state your educational and professional qualifications.**

16 A. I have been working in the area of energy efficiency planning, reporting, cost-
17 effectiveness, and evaluation for fifteen years at National Grid and its predecessor
18 companies, with the exception of a two-year period in the Transmission organization.
19 Prior to working at National Grid, I worked for energy efficiency consulting firms and for
20 another public utility in its generation planning and energy efficiency departments. I have
21 a Bachelor’s degree in Mechanical Engineering from the University of Illinois at Chicago

1 and a Master's degree in Technology and Policy from the Massachusetts Institute of
2 Technology.

3 **Q. Please identify any regulatory proceedings in which you have testified.**

4 A. I have testified at regulatory proceedings in Rhode Island, New Hampshire, and
5 California.

6 **Q. What is your involvement and responsibility with respect to the 2010 Core
7 Program?**

8 A. I worked with other National Grid personnel regarding the programs National Grid would
9 offer in the 2010 Core Program.

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to describe two components of Granite State Electric
12 Company's Small Business Energy Solutions ("SBES") program for which National Grid
13 seeks authorization to expend 2010 Core Program funds.

14 **Q. Please describe the Small Business Energy Solutions Program.**

15 A. The Small Business Energy Solutions ("SBES") program is offered to commercial and
16 industrial customers with average monthly demand of less than 200 kWh. Through this
17 program, National Grid provides turnkey energy efficiency services to customers, which
18 include but are not limited to thermostats, electric hot water measures, and refrigeration
19 measures. The SBES pays 70% of the installed costs, with customers paying the
20 remaining 30%.

21 **Q. Please describe the activities for which National Grid seeks authorization.**

1 A. The customer's 30% share of measures installed at its facility through the Core program
2 is placed on the customer's monthly electric bill. Customers have the choice of receiving
3 interest free financing of this amount for up to 24 months or may receive a 15% discount
4 for making a lump sum payment of the amount. National Grid is seeking authorization to
5 include as part of its 2010 Core budget the cost of the 15% discount provided to
6 customers. National Grid has projected that 29 customers will take advantage of this
7 discount at an approximate cost of \$8,450 in 2010. This amount is reflected in National
8 Grid's budget that was submitted as part of the 2010 Core Proposal.

9 **Q. Why is this discount necessary?**

10 A. National Grid has been offering this 15% discount to customers in Massachusetts since
11 1989 and in New Hampshire since the Core programs were instituted. National Grid has
12 found that this additional discount provides a key incentive to customers who participate
13 in this program. In 2009, 42 of the total 67 SBES customers elected this option.
14 During the course of the Staff's audit of National Grid's Core programs, the Staff issued
15 an audit find in which it concluded that the Company's 2008 Core program material did
16 not expressly describe this discount despite the fact that the Company includes
17 information about the discount in the Company's contract with customers for SBES
18 services. See page 1 of Attachment A hereto. The Company understands that the Audit
19 Division has taken the position that SBC funds should not have been used for this
20 expense. The Company disagrees with the Audit Division's opinion on the basis that the
21 contractual material has always been clear that the 15% discount is part of the SBES
22 program. Thus, the Company is requesting that the Commission allow inclusion of the

1 15% discount in the use of 2008 SBC funds and is seeking approval to include this 15%
2 discount in its SBES program offered in 2010.

3 **Q. Please describe the second SBES program activity for which the Company is seeking**
4 **approval.**

5 A. As part of participation in the SBES program, the Company offers recycling services to
6 customers, including the removal and environmentally sound disposal and/or recycling of
7 fluorescent lights and ballasts from customers' facilities. This service is critical to
8 participating customers as the difficulty in locating facilities that will accept fluorescent
9 lights and ballasts for recycling can be a sufficient barrier to customer participation in the
10 SBES program. The Company is able to provide this service because it has contracts
11 with recycling facilities that accept this waste. In its audit of the Company's 2008
12 programs, the Staff concluded that the Company's Core program materials did not
13 identify this service sufficiently such that SBC funds could be used to cover its costs.
14 The Company seeks Commission approval for use of SBC funds in 2008 for these costs
15 and to include these recycling costs as part of its 2010 Core Program offering through the
16 SBES program. These costs are appropriate to include in the Core programs because
17 they encourage participation in the SBES program and are also consistent with good
18 environmental practices. The recycling costs are also a program requirement for vendors
19 who contract with the Utilities to provide SBES services as witnessed in the most recent
20 SBES vendor RFP, which provided that:

21 **ALL LAMPS, BALLASTS, FIXTURES OR OTHER EQUIPMENT**
22 **REMOVED FROM A CUSTOMER'S FACILITY MUST BE DISPOSED**
23 **OF AS DESCRIBED IN THIS RFP AND MUST NEVER BE REUSED AT**
24 **OTHER LOCATIONS UNDER ANY CIRCUMSTANCES. ANY**

1 **CONTRACTOR THAT FAILS TO COMPLY WITH THIS CONDITION**
2 **MAY BE TERMINATED FOR CAUSE.**

3 **Ballast Disposal**

4
5 The Contractor will be responsible for physically removing **all** fluorescent ballasts
6 from lighting fixtures that are being retrofitted as a result of the Program. The
7 Contractor will be responsible for cutting off **all** excess wiring from the ballasts
8 and storing the removed ballasts at the Customer's facility in either pails or drums
9 to reduce the possibility of any leakage. **The Contractor will be responsible**
10 **both for collecting the ballasts from the Customer's facility and for disposing**
11 **of the ballasts in accordance with various federal, state and local regulations.**

12
13 Please see Attachment 5 - A containing PSNH's Notice on Ballasts and
14 Fluorescent Lamp Disposal.

15
16 **Note:** National Grid USA will require the Contractor to prepare and package the
17 fluorescent ballasts. The removal and re cycling of the ballasts will be done by
18 National Grid USA's subcontracted ballast and lamp disposal contractor.

19
20 **Lamp Disposal**

21
22 The Contractor will dispose of all lamps unless the lamp is physically broken.
23 Under no circumstances will the Contractor allow the Customer to keep any
24 lamps which are removed as a result of the Program.

25
26 **Note:** National Grid USA will require the Contractor to prepare and package the
27 fluorescent lamps. The removal and recycling of the lamps will be done by
28 National Grid USA's subcontracted ballast and lamp disposal contractor. The
29 Contractor will be responsible for packaging all two, three, four and eight foot
30 straight fluorescent lamps (as well as four foot U -tubes) which are removed as a
31 result of the Program. Packaging material (boxes) will be provided by the Utility.

32
33 Customers also see the recycling component of the program in the customer contract (*see*
34 Attachment A, page 1). For these reasons, it is appropriate to allow this expense as part
35 of the Company's Core program.

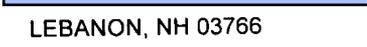
36 **Q. Does this conclude your testimony?**

37 **A. Yes, this concludes my testimony.**

Terms & Conditions



Date: 10/22/2008

Customer Name:		Vendor:	RISE ENGINEERING
Address:		Audit Date:	10/16/2008
Town, State, and Zip Code:	LEBANON, NH 03766	Auditor:	BARNEY JUDGE
Account Number:		Application No:	532646

National Grid ("Company") is offering an energy conservation program ("Program") to certain commercial and industrial customers ("Customer") that have an average monthly demand less than 200 kW or an annual energy usage less than 483,600 kWh. Under the Program, the Company is arranging the installation of certain energy conservation measures ("Measures") at the facilities of eligible customers. Customer agrees to have a contractor hired by the Company for the Program install the Measures and pay a portion of the installation cost as described in Section Six listed below. The following are terms and conditions that govern the Program and the installation of the Measures:

1. Measures to be Installed

An independent contractor ("Installation Contractor") hired by the Company will install at Customer's property the conservation Measures described in Section Six below. The Installation Contractor shall permanently disable all lamps replaced pursuant to this Agreement (make them unfit for reuse). The disposal of any lighting equipment which is removed (with exception of fluorescent ballasts and lamps) will be the responsibility of the participating Customer. The disposal of any fluorescent ballasts and lamps will be the responsibility of an outside contractor hired by the Company.

2. Installation Date

The Installation Contractor will attempt to install the Measures within thirty (30) days of Customer signing this Agreement.

3. Warranty and Disclaimers

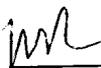
- (a) The Company will provide a one-time equipment replacement free of charge for any equipment that fails to operate according to manufacturer's specifications for a period of two years after the date of the original installation. Lamps will be warranted for one year.
- (b) Customer may have other warranty rights that may have been provided by the manufacturer of the devices installed under this Agreement. Customer, however, may exercise such rights only against the manufacturer, and not against the Company or its affiliates.
- (c) OTHER THAN THE REPLACEMENT WARRANTY STATED IN SUBPARAGRAPH 3(a) ABOVE, NEITHER THE COMPANY NOR ITS AFFILIATES MAKE ANY WARRANTIES OF ANY KIND, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE
- (d) The Company does not guarantee that the Measures will, in fact, save any level of energy or result in a lowering of the customer's electric utility bill.
- (e) Neither the Company nor its affiliates shall be liable to Customer for consequential or incidental damages arising out of the Program, whether in contract, tort (including negligence) or any other theory of recovery.

4. Access to Property

- (a) Customer will provide reasonable access to Customer's property during normal business hours for Installation Contractor to perform the installation work.
- (b) In addition, the Customer will allow the Company to make a reasonable number of follow-up visits during the twenty-four months following installation, with advance notice and at a time convenient to the customer. The purpose of the follow-up visits is to provide the Company with an opportunity to review the operation of the Measures for program education purpose. During the follow-up visits, the Company may make suggestions to the Customer regarding operation of the Measures, but the Customer is under no obligation to follow any such suggestions. If the Customer does follow any instructions, the Company will not be liable to the Customer in tort (including negligence) for the Customer's reliance on the suggestions.

5. Discretion of Installation Contractor

When undertaking the installation, the Installation Contractor or the Company (at their sole discretion) may choose not to make the installations specified below for reasons related to safety, discovery of unforeseen conditions, or the complete utilization of the Company's program budget.

Initial Here: 

Terms & Conditions



Date: 10/22/2008

Customer Name:
Address:
Town, State, and Zip Code: LEBANON, NH 03766

Application No: 532646



6. Equipment and Customer Contribution

(a) The Installation Contractor will install the equipment listed on the attached Small Business Energy Efficiency Service Lighting Analysis Report, incorporated herein by reference. The estimated cost of the installation including the estimated cost of the Customer's contribution is also itemized on this report. The Customer may choose to pay its cost contribution over twelve or twenty-four months or may choose to pay it in one lump sum within thirty days of installation. If the Customer chooses to pay it in one lump sum within thirty days of installation, the Company shall discount the Customer's contribution by 15%.

The Customer opts to pay its cost contribution by (check one):

- Lump sum payment of \$40.70 within thirty days of installation (includes Customer discount of 15%)
- Twelve (12) monthly payments of \$3.99 per month
- Twenty-four (24) monthly payments of \$2.00 per month

(b) The Customer shall pay no more than the estimated cost shown on the report. If the actual cost of the installation is less than the estimated cost or if the Installation Contractor chooses not to make an installation in accordance with Section 5, the Installation Contractor shall adjust the customer's contribution and advise the Customer.

7. Authorized Signature of Customer

By signing below, the Customer agrees to the applicability of the terms and conditions described above.

CUSTOMER ADDRESS WHERE MEASURES WILL BE INSTALLED:



LEBANON, NH 03766

By:

Title: Owner

Date: 12/3/08

Incorporated

Not Incorporated

If Not Incorporated, Federal ID # _____