

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**Energy Efficiency Resource Standard
Docket No. DE15-137**

Direct Testimony of

Jeffrey Loiter

On Behalf of

The New Hampshire Sustainable Energy Association, Conservation Law
Foundation, The Jordan Institute, New England Clean Energy Council, and The
Nature Conservancy

December 9, 2015

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

2 A. My name is Jeffrey Loiter and my business address is Optimal Energy,
3 Incorporated, 10600 Route 116, Hinesburg, Vermont, 05461.

4 **Q. On whose behalf are you testifying?**

5 A. I am testifying on behalf of the New Hampshire Sustainable Energy
6 Association, Conservation Law Foundation, The Jordan Institute, New
7 England Clean Energy Council, and The Nature Conservancy

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

9 A. I am a Partner in Optimal Energy, Inc., a consultancy specializing in
10 energy efficiency and utility planning. In this capacity, I direct and perform
11 analyses, author reports and presentations, manage staff, and interact with clients
12 to serve their consulting needs. My clients include state energy offices and
13 efficiency councils, utilities and third-party program administrators, and non-
14 governmental organizations. For example, I participate on the consultant team
15 supporting the work of the Massachusetts Energy Efficiency Advisory Council,
16 which guides the development of energy efficiency plans by the state's investor-
17 owned gas and electric utilities and energy providers and monitors the
18 implementation of these plans. I have recently begun providing similar services to
19 the newly-formed Delaware Energy Efficiency Advisory Council.

20 **Q. Please summarize your work experience and educational background.**

21 A. I have 17 years of experience in environmental and economic consulting.
22 For the past 9 years, I have been engaged in a variety of work at Optimal Energy
23 related to energy efficiency program design and analysis. For example, I prepared
24 two documents for inclusion in EPA's *National Action Plan for Energy Efficiency*
25 (*NAPEE*): a guidebook on conducting efficiency potential studies, and a
26 handbook describing the funding and administration of clean energy funds.¹

27 In my capacity as a Partner at Optimal, I also advise clients on efficiency
28 program design and implementation. I have assisted with the design and

¹ These documents can be found at

http://www.epa.gov/cleanenergy/documents/suca/potential_guide.pdf and
http://epa.gov/cleanenergy/documents/clean_energy_fund_manual.pdf, respectively.

1 development of statewide and utility-specific efficiency programs in Maine,
2 Maryland, New York, Massachusetts, and Tennessee. I currently support program
3 implementation and on-going program design and development for Orange and
4 Rockland Utilities in New York and the Connecticut Municipal Electric Energy
5 Cooperative. I have submitted written testimony to and/or testified before public
6 utility commissions in Arkansas, Kansas, Kentucky, Maryland, Ohio, Virginia,
7 and West Virginia on topics such as demand-side management, integrated
8 resource planning, and efficiency as a resource in state energy plans.

9 Prior to joining Optimal Energy in 2006, I was a Senior Associate at
10 Industrial Economics, Inc. in Cambridge, Massachusetts, where I supported state,
11 federal, and international governmental clients with analysis on topics of
12 environmental policy and natural resources damages. I have a B.S. with
13 distinction in Civil and Environmental Engineering from Cornell University and
14 an M.S. in Technology and Policy from the Massachusetts Institute of
15 Technology.

16 **Q. Have you previously testified before the New Hampshire Public Utilities**
17 **Commission?**

18 A. No, but I presented on some of the topics covered in my testimony at one
19 of the technical sessions in this docket.

20 **Q: How is your testimony organized?**

21 A: My testimony is a short summary of recommendations regarding an
22 Energy Efficiency Resource Standard (EERS) for New Hampshire. To this
23 testimony, I have attached a more detailed discussion of supporting information,
24 including recommended energy efficiency targets and an analysis of best
25 practices.

26 **Q. Please summarize your recommendations regarding an Energy Efficiency**
27 **Resource Standard in New Hampshire.**

28 A: My recommendations cover a range of topics related to an EERS,
29 including the following:

- 1 ▪ The EERS should have explicit quantitative short-term goals, preferably
2 expressed as a cumulative goal over a three-year term. Goals should be
3 expressed in terms of measured and evaluated reductions in energy sales
4 and peak demand, rather than spending on programs, customer
5 participation, or other non-energy metrics. Longer-term goals may also be
6 appropriate, but the changing landscape of energy and efficiency suggests
7 that these may best be expressed in qualitative terms, such as all cost-
8 effective energy efficiency.
- 9 ▪ Cumulative electric and gas energy savings target of 3.1% and 2.25% of
10 sales for the 2017-2019 period, respectively, are reasonable and
11 achievable through cost-effective measures and programs.
- 12 ▪ The gas and electric utilities in New Hampshire are capable of delivering
13 high-quality efficiency programs to meet these targets, but there may be
14 benefits from transitioning some or all program delivery to a state-wide
15 program administrator over time.
- 16 ▪ Efforts to implement and meet the requirements of an EERS should be
17 overseen and guided by an advisory body with sufficient resources and
18 authority to ensure robust stakeholder involvement and to assist the
19 Commission with oversight of the programs.
- 20 ▪ Existing levels of funding for efficiency in New Hampshire are below the
21 amount that is economically efficient, and current funding is insufficient
22 to achieve the recommended targets. While rate impacts will result from
23 the implementation of efficiency programs, regardless of the source of
24 funding for these programs, cost-effective efficiency programs result in
25 lower total bills for ratepayers. This is the case even if per unit energy
26 rates increase.
- 27 ▪ To establish a successful energy efficiency program, three areas of cost
28 should be addressed: the recovery of program costs by implementing
29 utilities or other entities; a mechanism to address lost fixed-cost recovery

1 resulting from lower energy sales from efficiency; and incentives to make
2 efficiency investments attractive relative to supply-side investments.

3 ▪ The results of energy efficiency programs must be measured in a way that
4 gives all stakeholders confidence that reported energy savings are accurate
5 and reliable.

6 **Q: Are you familiar with the New Hampshire Energy Policy, which states that**
7 **“It shall be the energy policy of this state to meet the energy needs of the**
8 **citizens and businesses of the state at the lowest reasonable cost while**
9 **providing for the reliability and diversity of energy sources?”**

10 A: Yes.

11 **Q: Does energy efficiency address this policy, and if so, how?**

12 A: Yes, it does. Energy efficiency is widely considered to be the lowest cost energy
13 resource, meaning that a unit of energy saved through energy efficiency is less
14 expensive than the total lifetime cost of a unit of energy from other resources such
15 as traditional fossil fuel generation and renewable energy sources, when
16 compared on a consistent and fair basis. This is true even when no economic
17 value is placed on environmental, health, and economic impacts that are not
18 currently monetized in our economy.

19 **Q: Does this conclude your testimony?**

20 A: Yes. Please see Attachment A to this testimony for more detailed information and
21 analysis.