

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION



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June 18, 2012 - 9:07 a.m.
Concord, New Hampshire

DAY 2

RE: DE 10-188
2011 CORE ELECTRIC PROGRAMS AND
NATURAL GAS ENERGY EFFICIENCY PROGRAMS:
Energy Efficiency Programs.

PRESENT: Chairman Amy L. Ignatius, Presiding
Commissioner Robert R. Scott
Commissioner Michael D. Harrington

Sandy Deno, Clerk

APPEARANCES: Reptg. Public Service Co. of New Hampshire:
Gerald M. Eaton, Esq.

Reptg. Unitil Energy Systems and
Northern Utilities:
Rachel A. Goldwasser, Esq. (Orr & Reno)

Reptg. Granite State Electric Co. d/b/a
National Grid and EnergyNorth Natural Gas
d/b/a National Grid NH:
Carol J. Holahan, Esq. (McLane, Graf...)

Reptg. The Way Home:
Alan Linder, Esq. (N.H. Legal Assistance)
Dan Feltes, Esq. (N.H. Legal Assistance)

Court Reporter: Steven E. Patnaude, LCR No. 52

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APPEARANCES: (C o n t i n u e d)

Reptg. N.H. Community Action Association:
Dana Nute, Director

Reptg. the Office of Energy & Planning:
Eric Steltzer, Energy Policy Analyst

Reptg. Residential Ratepayers:
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Stephen R. Eckberg
Office of Consumer Advocate

Reptg. PUC Staff:
Marcia A. B. Thunberg, Esq.
James. J. Cunningham, Jr., Electric Div.
Al-Azad Iqbal, Electric Division

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1 MR. EATON: Good morning.

2 MS. GOLDWASSER: On behalf of Unitil
3 Energy Systems, from the law firm of Orr & Reno, my name
4 is Rachel Goldwasser.

5 CHAIRMAN IGNATIUS: Good morning.

6 MS. HOLAHAN: Carol Holahan, from the
7 McLane law firm, on behalf of National Grid.

8 MR. LINDER: Good morning. Alan Linder,
9 from New Hampshire Legal Assistance, representing The Way
10 Home. And, I'd like to take the opportunity to also enter
11 the appearance of my co-counsel, Dan Feltes, who is not
12 here yet, but will be here a little later this morning,
13 because I have to leave for a little while, but I'll be
14 back in the afternoon. Thank you.

15 CHAIRMAN IGNATIUS: That's fine. Thank
16 you.

17 MR. NUTE: Good morning. Dana Nute, on
18 behalf of the New Hampshire Community Action Association.

19 MR. STELTZER: Good morning. Eric
20 Steltzer, representing Office of Energy & Planning.

21 MS. HOLLENBERG: Good morning. Rorie
22 Hollenberg and Stephen Eckberg, here for the Office of
23 Consumer Advocate.

24 MS. THUNBERG: Good morning. Marcia

1 Thunberg, on behalf of Staff. And, with me today is Jim
2 Cunningham and Iqbal Al-Azad.

3 CHAIRMAN IGNATIUS: Good morning. And,
4 then, we have, is it "Mr. Brooks", did I get that right?
5 "Mr. Bates"?

6 MR. BATES: Mr. Baits, yes.

7 CHAIRMAN IGNATIUS: I don't know if the
8 parties are aware of this, but he had approached the
9 Commission, I think, on either Thursday or Friday last
10 week, saying he had a comment he wanted to make, and we
11 said "that would be." We often take them at the beginning
12 or the end of the proceedings. And, so, Mr. Bates, if you
13 would like to speak now.

14 MR. BATES: Sure.

15 CHAIRMAN IGNATIUS: And, then, you're
16 welcome to stay for the day or not. What we'd ask is, why
17 don't you come to a microphone, just so that we can be
18 sure everyone's hearing you. You can have a seat. If you
19 can give us your name, address, --

20 MR. BATES: Sure.

21 CHAIRMAN IGNATIUS: -- and then just
22 speak. And, you won't be cross-examined. This is just to
23 speak to make your comments known. We appreciate it.

24 MR. BATES: Thank you, madam Chairman.

1 My name is Joseph Bates. I currently work for Cross
2 Construction. I'm here today just to voice my support in
3 the current utility program as it is. I have actually
4 been involved in the program as the fuel neutral program,
5 Home Performance with ENERGY STAR, since we piloted it
6 just about three years ago. I have also worked in the
7 State of Maine, I forget the name of the program, but
8 their residential program, and Massachusetts Utility
9 Program, MassSave.

10 I've been in approximately 200 homes
11 here in New Hampshire. And, I've been able to talk with
12 the homeowners, get their sense of how happy they are with
13 the program, and the measures that we were able to do.

14 I'd like to just point out what I think
15 is some of the advantages of the program. Number one,
16 being that the way it's funded, I support that, that
17 ratepayer contribution, how they pay for it. Everyone
18 equally pays into it, everyone has equal access to it,
19 provided they can, of course, show their home has
20 opportunity. The program has been very efficiently
21 managed, very professionally done, and the QA, Quality
22 Assurance, has been very well done. And, the levels and
23 standards are held very high.

24 The environmental impact has been very

1 good in this program. Being that we're really addressing
2 the dependency New Hampshire has on foreign fuels. The
3 incentives that the program offers, I'll break them down,
4 are, to my opinion, contribute it to being an
5 award-winning program. The application process required
6 for a homeowner, being that they have to pay a \$100
7 co-pay, and they also have to go to a website, print out
8 an application, mail in two years' worth of utility bills.
9 That has some footwork to it, and has that homeowner being
10 invested in the process. What's good about that process
11 is, that by the time we go out there and do an energy
12 assessment, we have a very high conversion rate, i.e., we
13 hit as high as 85 percent conversion rate. People
14 converting into doing the deeper work and the recommended
15 work. And, they usually always do all the recommended
16 work.

17 This is very good, because the costs of
18 implementing these energy assessments, those dollars,
19 aren't going towards energy-reducing measures. So, a
20 program wants to minimize those dollars as much as it can.
21 Unlike Massachusetts, they offer that free home
22 assessment, and we have to keep going back to the house in
23 order to properly weatherize that home.

24 The driving force for this, of course,

1 is the rebate offered. New Hampshire has -- offers a
2 50 percent up to \$4,000 rebate. What's great about this
3 is that price point, i.e., to maximize the rebate, you're
4 going to spend up to \$8,000. That amount of money will
5 fix most all houses, and completely fix the house, as far
6 as the shell improvements are concerned. These
7 improvements will lead to a 20 to 40 percent energy
8 savings. So, again, a big bang for the buck.

9 Down in Massachusetts, they only offer
10 \$2,000. It's not enough to fully complete the work on
11 that home. And, you go out and you partially complete the
12 work. They have to re-apply, have another audit the
13 following year, and we go out and do some more measures.
14 And, a large enough home, we'll go out three times. So,
15 that's three energy assessments, three visits, over three
16 years; not very efficient.

17 The other good thing about the rebate
18 here in New Hampshire is that it is an instant rebate.
19 Maine offered a rebate in their program, but the homeowner
20 had to shell out the full cost, and, at times, would take
21 up to six months before finally receiving a rebate check.

22 The other really neat feature of this
23 program, which basically makes it into a perfect program,
24 is offering the on-bill financing. This opens the program

1 up to just about everyone, whether they have cash on hand
2 or not. It also gives them the incentive to go deeper in
3 the work that they do. They actually often ask me "is
4 there any more that you can do?" And, it makes it, at the
5 end of the day, if you do a case study, they will actually
6 -- these savings will come close to or if not exceed the
7 payments on that loan. So, combining with the rebate, and
8 the on-bill, financially speaking, it becomes a
9 no-brainer, and thus has a great incentive for people to
10 act.

11 That's about it, madam Chairman.

12 CHAIRMAN IGNATIUS: Thank you. I
13 appreciate your comments. That was very well-organized
14 and thoughtful. So, thank you. And, the experience from
15 other states is interesting to hear.

16 MR. BATES: Thank you.

17 CHAIRMAN IGNATIUS: You're free to stay.
18 Or, if you've got other business to get to, that's okay,
19 too.

20 MR. BATES: Yeah, I have an appointment
21 to get to. Thank you.

22 CHAIRMAN IGNATIUS: With that, are we
23 ready to move to Mr. Steltzer or is there any other
24 procedural matters to take up?

[WITNESS: Steltzer]

1 (No verbal response)

2 CHAIRMAN IGNATIUS: Seeing none, Mr.
3 Steltzer, is it correct that Mr. Linder is going to assist
4 in your presentation?

5 MR. STELTZER: No, it isn't. Mr. Eaton
6 will be entering me in as a witness.

7 CHAIRMAN IGNATIUS: Thank you. I knew
8 somebody had made that offer, and forgot who it was.

9 (Whereupon **Eric Steltzer** was duly sworn
10 by the Court Reporter.)

11 **ERIC STELTZER, SWORN**

12 **DIRECT EXAMINATION**

13 BY MR. EATON:

14 Q. Mr. Steltzer, would you please state your name for the
15 record.

16 A. My name is Eric Steltzer.

17 Q. For whom are you employed?

18 A. I'm employed by the Office of Energy & Planning.

19 Q. And, what is your position and what are your duties for
20 the Office of Energy & Planning?

21 A. My position is Energy Policy Analyst. And, in this
22 role, I help to advise the state on energy efficiency
23 policies and renewable energy efforts. I've also been
24 involved with the oversight of a significant amount of

[WITNESS: Steltzer]

1 funding that has come through the American Recovery and
2 Reinvestment Act to institute energy efficiency
3 programs in the State of New Hampshire.

4 Q. Have you participated in Public Utilities Commission
5 proceedings involving conservation and load energy --
6 and energy efficiency programs?

7 A. Yes, I have.

8 Q. And, have you represented the Office of Energy &
9 Planning in this proceeding?

10 A. Yes, I am.

11 Q. Do you have in front of you a document that has a cover
12 letter from you, addressed to the Executive Director,
13 dated "March 28th, 2012"?

14 A. I don't have the cover letter, but I do have the
15 testimony that is dated "March 23rd, 2012".

16 Q. Thank you. Was that testimony prepared by you or under
17 your supervision?

18 A. Yes, it is.

19 Q. Is it true and accurate to the best of your knowledge
20 and belief?

21 A. Yes, it is.

22 Q. Do you need to make any corrections to that testimony?

23 A. I do not.

24 Q. And, if I asked you those questions today, you would

[WITNESS: Steltzer]

1 answer in the same way?

2 A. I would.

3 MR. EATON: Madam Chairman, would like
4 this marked as the next exhibit number, 30 --

5 MS. HOWARD-PIKE: Number 40.

6 MR. EATON: Number 40.

7 CHAIRMAN IGNATIUS: Thank you. So
8 marked for identification.

9 (The document, as described, was
10 herewith marked as **Exhibit 40** for
11 identification.)

12 BY MR. EATON:

13 Q. Mr. Steltzer, do you have a brief summary of your
14 testimony that you'd like to give to the Commission
15 this morning?

16 A. Yes, I do. Just briefly, I'd like to mention that the
17 testimony summarizes OEP's support for the Home
18 Performance with ENERGY STAR Program. Not only that it
19 should continue forward, recognizing that programs do
20 need a change from time to time, but it is certainly an
21 integral program to be a part of the CORE Programs. We
22 also provided some testimony as far the fairness of how
23 and why System Benefits Charge funds should be used to
24 support a fuel neutral Home Performance with ENERGY

[WITNESS: Steltzer]

1 STAR Program. We base that fairness that it is
2 currently legal to use System Benefits Charge funds for
3 fuel neutral programs underneath CORE. There's a
4 precedent for it. It helps to support a number of
5 state policies, including the New Hampshire Climate
6 Action Plan, as well as the 25x'25 Plan. And, that it
7 -- one of the laws regarding the Home -- or, the CORE
8 Programs states the importance of having these programs
9 be market transformational. And, we believe that the
10 previous reports that have been issued by the state,
11 both in the GDS Report, the SB 323 Study, as well as
12 the Cadmus Report, all state support for this type of
13 program going forward in New Hampshire, and speak to
14 the measures of it being a market transformational
15 program.

16 MR. EATON: Thank you. That's all the
17 questions I have.

18 CHAIRMAN IGNATIUS: Thank you. Mr.
19 Eaton, I appreciate your helping out Mr. Steltzer. You
20 also have an opportunity for cross-examination. So, while
21 that's a little odd to shift from direct to cross, are
22 there other questions that you wanted to bring out?

23 MR. EATON: No. I can't summon up the
24 meanness of cross-examination after doing such a nice

[WITNESS: Steltzer]

1 direct examination.

2 (Laughter.)

3 CHAIRMAN IGNATIUS: All right. Then,
4 Ms. Goldwasser, questions?

5 **CROSS-EXAMINATION**

6 BY MS. GOLDWASSER:

7 Q. Mr. Steltzer, you indicate in your testimony that your
8 responsibilities at OEP include coordination and
9 implementation of energy efficiency programs, and that
10 you collaborate with other states regarding those
11 programs, is that correct?

12 A. Yes, it is.

13 Q. Do your responsibilities include the provision of
14 energy efficiency services to the residential sector?

15 A. While OEP doesn't directly oversee those programs, we
16 are funding a number of programs, in particular, the
17 BetterBuildings Program, through Community Development
18 Finance Authority, that is focusing on the residential
19 sector, as well as some renewable energy programs for
20 the residential sector, too.

21 Q. And, does your work responsibilities include oversight
22 of residential energy efficiency programs?

23 A. Yes, it does.

24 Q. Do your responsibilities include working with energy

[WITNESS: Steltzer]

1 efficiency professionals, including auditors and
2 contractors?

3 A. Yes, it does.

4 Q. And, do your responsibilities require you to have an
5 understanding of the market for residential sector
6 energy efficiency?

7 A. Yes, it does.

8 Q. Mr. Steltzer, are you familiar with the GDS Study?

9 A. I am familiar with it. Certainly, if we get into
10 technical details of numbers, I'm less so. But I do
11 have an overall understanding of the report.

12 Q. Can you provide just a two-sentence summary of what
13 that report is?

14 A. What the report does is identify the energy efficiency
15 opportunities that are here in New Hampshire, provided
16 in a number of different scenarios. To look at not
17 only what was available within the marketplace, but
18 what is technically available. And, was an important
19 study that was issued out through the Core Program
20 funds in 2009.

21 Q. And, it was, as you said, it was provided to the
22 Commission via the CORE Programs?

23 A. Yes, it was.

24 MS. GOLDWASSER: I have here your Data

[WITNESS: Steltzer]

1 Request 5-6 from Staff.

2 (Atty. Goldwasser distributing
3 documents.)

4 MS. GOLDWASSER: I ask that it be marked
5 as "Exhibit 41".

6 CHAIRMAN IGNATIUS: Is this something
7 that other participants have had a chance to see?

8 MS. GOLDWASSER: This is a data response
9 to Staff in the procedure for the HPwES Program.

10 CHAIRMAN IGNATIUS: All right. So,
11 presumably, people have received it during the discovery
12 process?

13 MS. GOLDWASSER: Yes.

14 CHAIRMAN IGNATIUS: All right. Then,
15 we'll mark it for identification as "Exhibit 41".

16 (The document, as described, was
17 herewith marked as **Exhibit 41** for
18 identification.)

19 BY MS. GOLDWASSER:

20 Q. Mr. Steltzer, in this data response, Staff asks you
21 whether there are -- whether the "residential programs
22 are achieving Potentially Achievable residential
23 electric savings as identified in the GDS Report."
24 And, you conclude that -- that the GDS Study supports a

[WITNESS: Steltzer]

1 fuel neutral HPwES Program, is that correct?

2 A. That is correct.

3 Q. And, that the GDS Study concludes that only a small
4 number of customers would benefit from an electric-only
5 Home Energy Efficiency Program, is that correct?

6 A. That is correct.

7 Q. In your data response, you reply on Pages 20 to 21 of
8 the GDS Study. And, your response includes a quotation
9 which references Footnote 16. Do you see that? It's
10 on -- if you look in the italics, there's a Footnote 16
11 at the end of the first paragraph.

12 A. I don't see the footnote.

13 Q. Right.

14 A. But I do see the text.

15 Q. So, you reference the footnote, but the footnote wasn't
16 included in your data response, correct?

17 A. I believe that is the case, yes.

18 Q. Okay. I have here the GDS report which you cite and
19 quote, which includes that Footnote 16. And, I'll give
20 that to you for you to take a look at.

21 (Atty. Goldwasser distributing
22 documents.)

23 WITNESS STELTZER: And, I should note I
24 see the Footnote 16 there.

[WITNESS: Steltzer]

1 CHAIRMAN IGNATIUS: I notice that one
2 page of the report has already been marked as "Exhibit
3 38", Page 8. But the report itself has not been entered.
4 So, is it your intention only to introduce these pages as
5 an exhibit?

6 MS. GOLDWASSER: Yes, madam Chair. It's
7 a pretty lengthy report. So, I didn't want to copy the
8 entire thing for the Commission. But I did copy the first
9 page, and then, if you ignore the second page there, Pages
10 21 and 22 are what I provided as part of what I'd like to
11 mark as "Exhibit 42".

12 CHAIRMAN IGNATIUS: We'll mark that for
13 identification.

14 (The document, as described, was
15 herewith marked as **Exhibit 42** for
16 identification.)

17 CHAIRMAN IGNATIUS: And, also note, for
18 anyone who's not aware, that the full report is on our
19 Commission website, I believe. I see nods. That's good.
20 Thank you.

21 BY MS. GOLDWASSER:

22 Q. So, Mr. Steltzer, referencing the pages of the GDS
23 Study, which you quote in your data response, can you
24 please take a look at the text of Footnote 16, and read

[WITNESS: Steltzer]

1 that text into the record.

2 A. Glad to. "The 4 percent presents total number of
3 customers with electric heat as their primary source
4 for heating. A smaller percentage than 4 percent would
5 qualify for participation in the Home Energy Solutions
6 program, since 65 percent or more of their space
7 heating needs to be met with electric heat."

8 Q. So, in other words, the GDS Study, which was performed
9 in 2009, concluded that less than 4 percent of New
10 Hampshire ratepayers are eligible for an electric-only
11 HES Program, is that correct?

12 A. That's how I understand it as well.

13 Q. And, that's before anyone would be qualified under the
14 Home Heating Index, is that correct?

15 A. I believe that is the case, yes.

16 Q. And, that's using statewide data, not utility-based
17 data, is that correct?

18 A. I don't know the source of data that GDS has used to
19 arrive at that number.

20 Q. If you look at the sentence that is at the -- the
21 sentence that directly precedes Footnote 14, does it
22 read "Customers with electric heat as their primary
23 heating source represent approximately 4 percent of the
24 total population based on phone surveys"?

[WITNESS: Steltzer]

1 MR. LINDER: You meant "16"?

2 MS. GOLDWASSER: Yeah, the text that
3 precedes Footnote 16.

4 WITNESS STELTZER: Sorry, I had heard
5 "14".

6 MS. GOLDWASSER: Oh, I apologize.

7 WITNESS STELTZER: So, I was looking for
8 14.

9 BY MS. GOLDWASSER:

10 Q. Footnote 16. I'll try that again. "Customers with
11 electric heat as their primary heating source represent
12 approximately 4 percent of the total population based
13 on the phone surveys"?

14 A. Yes. That is what it says there.

15 Q. And, that's the phone surveys that GDS conducted as
16 part of its study, is that correct?

17 A. I would imagine so.

18 Q. And, the GDS Study was a statewide study?

19 A. Yes, it was.

20 Q. And, if that data is based on phone studies, that data
21 is based on self-reporting, correct?

22 A. It is.

23 Q. Not based on an actual usage to contrast the data with
24 the data that the utilities used to come up with their

[WITNESS: Steltzer]

1 electric heat numbers?

2 A. No. This data here is primary data that was collected
3 by GDS Associates.

4 Q. Mr. Steltzer, I have here your response to Staff Data
5 Request 5-7.

6 (Atty. Goldwasser distributing
7 documents.)

8 BY MS. GOLDWASSER:

9 Q. Mr. Steltzer, do you recognize this data request?

10 A. Yes, I do.

11 MS. GOLDWASSER: Madam Chair, this data
12 request was propounded in response to Staff request in
13 this hearing. I'd like to mark it for identification as
14 "Exhibit 43".

15 CHAIRMAN IGNATIUS: So marked for
16 identification.

17 (The document, as described, was
18 herewith marked as **Exhibit 43** for
19 identification.)

20 BY MS. GOLDWASSER:

21 Q. Mr. Steltzer, in this data request, Staff asks you
22 several questions regarding the New Hampshire Climate
23 Action Plan. As part of your professional work, are
24 you familiar with the Action Plan?

[WITNESS: Steltzer]

1 A. I am.

2 Q. Please read Staff's Question b., and your response.

3 A. Staff's question was: "Would you agree that the Plan
4 ranks "Buildings" as a factor, lower than "Electricity
5 Generation"?" My response was: "No. In the Executive
6 Summary of the New Hampshire Climate Action Plan on
7 Page 2, it states "The greatest reductions would come
8 from improvements in the building sector, followed by
9 transportation and electric generation sectors." The
10 plan ranks, in terms of priority, the building sector
11 above the electric generation sector in terms of
12 opportunity to achieve greenhouse gas emissions
13 reductions. The ranking of the sectors by their
14 opportunity to reduce greenhouse gas emissions is
15 further discussed on Page 26 and in Figure 2.2. It is
16 included below. The program" -- excuse me, "Programs
17 should" -- let's try it again. "Programs such as the
18 fuel neutral Home Performance with ENERGY STAR program
19 will better achieve the recommendations of the New
20 Hampshire Climate Action Plan than an electric-only HES
21 Program."

22 Q. Thank you. Can you also please explain the figure
23 that's on the second page of your data response?

24 A. Yes. I might note just where Staff was recommending to

[WITNESS: Steltzer]

1 take a look at was beginning on Page 15 of the Climate
2 Action Plan, and I don't have that page in front of me.
3 But, from my recollection, that that chart that they're
4 referring to is an area chart showing which sectors
5 contribute to greenhouse gas emissions. And, it does
6 rate the electric generation sector as a higher sector.
7 But the question here was really looking at the ranking
8 order and the priority of taking action. And, so,
9 that's where I was referencing "Figure 2.2", which is
10 on part of the response that I had. And, this is
11 really looking at what's commonly referred to as the
12 "wedges". And, looking to see how all of these
13 different actions that can be taken can help to
14 contribute to a reduction in greenhouse gas emissions.
15 And, in this -- this is also an area chart. And, you
16 can see in this chart that buildings has a greater
17 depth or greater width. And, therefore, the Plan is
18 suggesting that "buildings" is ranked higher than
19 "electric generation", as far as opportunities to
20 reduce greenhouse gas emissions.

21 Q. Thank you. Finally, I promise this is your last, your
22 last data response. I have your response to Staff 5-8.
23 If you could refresh your memory about that.

24 (Atty. Goldwasser distributing

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1 documents.)

2 BY MS. GOLDWASSER:

3 Q. Do you recognize that document?

4 A. I do.

5 MS. GOLDWASSER: Madam Chair, I'd like
6 to mark that for identification as "Exhibit 44".

7 CHAIRMAN IGNATIUS: So marked.

8 (The document, as described, was
9 herewith marked as **Exhibit 44** for
10 identification.)

11 BY MS. GOLDWASSER:

12 Q. Now, Mr. Steltzer, in this request, Staff asks why you
13 recommend a fuel neutral program when the GDS Study
14 concluded that there are "Potentially Obtainable
15 opportunities to achieve electric kilowatt-hour
16 savings" in New Hampshire? And, you respond: "[Using]
17 a single criteria, such as the availability of
18 additional potentially obtainable kilowatt-hour savings
19 suggested above, would result in ineffective programs."
20 Is that correct.

21 A. Just trying to find -- there it is. Okay. Yes, it is.

22 Q. Can you explain your reasoning?

23 A. Well, it's really based off of market transformation,
24 what is currently available in the market. One of the

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1 -- one of the most numerous calls that we get in our
2 office from residents is "how can you help me with my
3 energy bill?" There isn't a delineation between
4 electricity and oil consumption. They're clearly
5 facing a pressure with rising costs, and are looking
6 for opportunities to reduce their energy use within
7 their house as a complete system. Also, what's
8 currently available for auditing services to the
9 residential sector does not include the opportunity for
10 an auditor to just come in and look at the
11 electric-only portions of a home. Building
12 Performances Institute -- or, Building Performance
13 Institute, BPI certification is a widely regarded
14 certification for auditors that are doing this work in
15 New Hampshire. And, they treat homes as a single
16 system, looking at all energy use. And, so, to have
17 some sort of Home Energy Solutions Program that is
18 focused on electric savings only, and as this has gone
19 on with the discovery, I've understood that Staff is
20 recommending that those electric savings could also be
21 done in oil-heated homes, but it would just be for the
22 electric savings only. That just doesn't exist out
23 there in the marketplace. There is no one that can
24 provide that service in any sort of cost-effective way.

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1 And, so, that's really the essence of what I'm getting
2 at here. Is that it isn't -- the market is
3 transforming to look at all energy use within a home,
4 not just electric portion.

5 Q. So, to sum up, would it be rational for the utilities
6 to conduct an in-home electric efficiency program, when
7 the marketplace for energy efficiency serves all energy
8 resources together, and doesn't set aside electric
9 efficiency separately?

10 A. No, I don't think that would be fair at all.

11 Q. I have here --

12 MS. GOLDWASSER: And, madam Chair,
13 before I go here, I have an order, which I'd just like
14 Mr. Steltzer to read a paragraph from. I haven't produced
15 copies of it, because it's on the Commission's website,
16 and it's something that I think you can take judicial
17 notice of?

18 CHAIRMAN IGNATIUS: It's a Commission
19 order?

20 MS. GOLDWASSER: It's a Commission
21 order.

22 CHAIRMAN IGNATIUS: That's fine. We
23 don't need it as a separate exhibit.

24 MS. GOLDWASSER: Okay.

1 BY MS. GOLDWASSER:

2 Q. So, I have here Order Number 24,930, from January 5th,
3 2009. Would you please read the highlighted text,
4 which is on Page 20.

5 A. "Running programs that attempt to isolate and target
6 energy efficiency to a single fuel source, such as
7 electricity, may in itself be a market barrier when
8 energy efficiency measures delivered as a comprehensive
9 package, such as systematic whole house retrofits that
10 reduce multiple energy uses and costs, including the
11 size and cost of high efficiency replacement HVAC
12 systems, may be the overall most cost-effective
13 approach to achieving energy efficiency and
14 conservation of all fuel sources."

15 Q. Therefore, could limiting the Company's ability to
16 perform a whole house program establish an artificial
17 division between electric and non-electric measures,
18 which doesn't exist in the marketplace, and which
19 violates the market transformation goals under RSA
20 374-F?

21 A. Yes. And, I think it's clear here. The types of
22 programs that the Commission is requesting utilities to
23 provide are programs such as Home Performance with
24 ENERGY STAR Program in a fuel neutral capacity.

[WITNESS: Steltzer]

1 Q. Do you have anything else you want to add about "market
2 barriers"?

3 A. No. No.

4 CHAIRMAN IGNATIUS: Well, before you go
5 there, can I just clarify?

6 WITNESS STELTZER: Yes.

7 CHAIRMAN IGNATIUS: The order, what page
8 were you reading from?

9 MS. GOLDWASSER: It was on Page 20.

10 CHAIRMAN IGNATIUS: And, is that from
11 the "Commission Analysis" section or another section?

12 MS. GOLDWASSER: I believe it's in the
13 "Commission Analysis" section.

14 WITNESS STELTZER: Yes, it is.

15 CHAIRMAN IGNATIUS: Thank you. So, I'm
16 sorry. I interpreted you about "market barrier" issues.

17 WITNESS STELTZER: No, I think that's
18 it. Thank you.

19 MS. GOLDWASSER: I have nothing further.
20 Thank you.

21 CHAIRMAN IGNATIUS: Thank you. Ms.
22 Holahan?

23 MS. HOLAHAN: I have no questions at
24 this time.

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1 CHAIRMAN IGNATIUS: Mr. Linder, any
2 questions?

3 MR. LINDER: Yes, I do have one
4 question. Thank you.

5 BY MR. LINDER:

6 Q. Mr. Steltzer, I just want to direct you to your direct
7 testimony, Exhibit 40, and on Page 6. And, actually,
8 if you look at Page 5 first, there is a question posed
9 on Line 8.

10 A. Yes, I'm there.

11 Q. Do you see that? And, the question is: "Why do you
12 believe it is fair to continue the Home Performance
13 with ENERGY STAR Program as a fuel neutral program with
14 SBC funds?" Do you see that?

15 A. Yes, I do.

16 Q. And, your answer to that question runs through Page 5,
17 down to Line 17 on Page 6, is that right?

18 A. Yes, it does.

19 Q. And, I just wanted to direct you to Page 6, Line 5.

20 A. Yes, I'm there.

21 Q. Okay. And, it starts out "For over 10 years, the
22 Commission has a precedent of permitting SBC funds for
23 fuel neutral programs, such as the Home Energy
24 Assistance Program." Do you see that?

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1 A. Yes, I do.

2 Q. Is the Home Energy Assistance Program the Low Income
3 Core Program?

4 A. Yes, it is.

5 Q. And, just directing your attention to Line 9, on Page
6 6.

7 A. Yes, I'm there.

8 Q. Okay. Which reads: "Additionally, if the Commission
9 determines it is unfair to use SBC funds for a fuel
10 neutral program, OEP is concerned about the
11 ramifications this decision could have on providing
12 much needed weatherization assistance to the low income
13 sector through the Home Energy Assistance Program." Do
14 you see that?

15 A. I do.

16 Q. And, could you explain please what you mean by the
17 phrase "OEP is concerned about the ramifications this
18 decision could have"?

19 A. Certainly. Currently, the matter, as I understand, the
20 matter before the Commission is whether it is fair to
21 use electric ratepayer System Benefits Charge funds to
22 go towards a fuel neutral Home Performance with ENERGY
23 STAR Program. The Commission has already ruled that it
24 is legal to use System Benefits Charge funds in such a

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1 way. I'm concerned that, if this decision -- if the
2 Commission were to make a decision that the Home
3 Performance with ENERGY STAR Program could not be
4 funded, and I should say the fuel neutral Home
5 Performance with ENERGY Star Program could not be
6 funded with electric ratepayer System Benefits Charge
7 funds, it could have a -- it could detriment the
8 funding for the Home Energy Assistance Program. And, I
9 would note that, if anyone's feeling the crunch of
10 energy costs today, it is the low income sector. And,
11 it would be an inappropriate time to reduce funding and
12 minimize funding for such a need that's out there in
13 our state.

14 MR. LINDER: Thank you. I have no
15 further questions.

16 CHAIRMAN IGNATIUS: Thank you.
17 Mr. Nute, questions?

18 MR. NUTE: No questions.

19 CHAIRMAN IGNATIUS: All right. Ms.
20 Hollenberg?

21 MS. HOLLENBERG: Yes. Thank you. Just
22 one question.

23 BY MS. HOLLENBERG:

24 Q. Following up on the questions from Mr. Linder, is there

[WITNESS: Steltzer]

1 not also a program, a CORE Program, the new Homes
2 ENERGY STAR Program, that is also fuel neutral in the
3 CORE panoply of programs at this time?

4 A. Yes. I believe it's called the "ENERGY STAR Homes
5 Program".

6 Q. And, would you have the same concerns about the
7 viability of that program going forward, if the
8 Commission were to make a decision that finds that fuel
9 neutral programs funded by the SBC are not fair?

10 A. I would. I would note that I'm more concerned about
11 reducing funding to a sector of our population that is
12 in need for this assistance, as opposed to an
13 individual who is interested in building a new home.
14 And, so, just from that perspective, I think I'd weight
15 a little bit more concern towards the reduction of
16 funding for Home Energy Assistance Program than ENERGY
17 STAR Homes Program.

18 MS. HOLLENBERG: Thank you. Nothing
19 further. Thank you.

20 CHAIRMAN IGNATIUS: All right.

21 Ms. Thunberg.

22 MS. THUNBERG: Thank you. Good morning,
23 Mr. Steltzer.

24 WITNESS STELTZER: Good morning.

1 BY MS. THUNBERG:

2 Q. I'm going to focus my questions on your testimony, if
3 you have that in front you, Exhibit 40?

4 A. I do.

5 Q. And. On Page 3, one of the reasons you list for why
6 HPwES should continue, number (3) is that it supports
7 the GDS Associates' recommendations, is that correct?

8 A. Yes.

9 Q. I'm sorry. I'm crossing out a few questions that have
10 already been asked.

11 A. Uh-huh.

12 Q. Now, on this page, Page 3, you have a quote from Pages
13 21 through 22, which I know that Attorney Goldwasser
14 just walked you through those pages from the GDS
15 report. But I'll cut to the chase with my question.
16 Are you saying that the GDS report recommends the
17 proposed fuel blind HPwES Program be funded by the SBC?

18 A. It does not mention a specific funding source. And, if
19 I may, just regarding the funding source, I know
20 there's been some suggestions of different mechanisms
21 that could fund the Home Performance with ENERGY STAR
22 Program other than System Benefits Charge funds. One,
23 in particular, is an SBC on oil. There's, according to
24 the SB 323 study, there's only one state in our country

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1 that has a System Benefits Charge on oil, and that is
2 the State of Vermont.

3 It's been discussed here in New
4 Hampshire through a Thermal Energy Report that I helped
5 to author, and that was issued out in 2008. And, to
6 this date, there's been little to no interest within
7 New Hampshire to go that route. Leave it at that.

8 Q. Okay. Now, Exhibit 42, that you have already covered,
9 on Page 22, and the top paragraph bullet
10 recommendation, and I draw your attention to the last
11 sentence in that recommendation.

12 A. Sorry. I'm having a hard time finding Exhibit 42.
13 Which one --

14 Q. It's the GDS cover sheet, Eric. I'm holding it up.

15 A. Yes. I have it. Thank you.

16 Q. And, on the last page, it covers a recommendation,
17 which is an excerpt from Page 22 of the GDS Report.
18 And, I'm drawing your attention to the bullet
19 recommendation.

20 A. Yes.

21 Q. And, the last sentence that starts "It is important to
22 recognize that such an expansion would require
23 provision of service to customers with heat" -- "that
24 heat with fuels other than electric and natural gas.

[WITNESS: Steltzer]

1 Issues regarding who would pay the provision of service
2 to such customers would need to be addressed."

3 A. That's correct. And, I hope that's what we're
4 accomplishing through this docket right here, is
5 addressing that very question.

6 Q. Okay. Thank you. Thank you for answering my questions
7 succinctly. I'm moving on to another area of the GDS
8 Report. You were asked earlier about "additional
9 opportunities". And, the GDS Report identifies
10 additional opportunities, would you agree? Lighting,
11 appliances, and water heating?

12 A. Yes. I would agree.

13 Q. I forget. Have you been asked if you are familiar with
14 the GDS Report?

15 A. I have been asked. And, I said "Yes. But, if you want
16 to get to technical details, maybe not so much so."
17 But, certainly, the overall idea of it I do.

18 MR. EATON: I don't know, Mr. Eaton, if
19 I should run this by you first, as you sponsored him as a
20 witness?

21 (Atty. Thunberg distributing documents.)

22 BY MS. THUNBERG:

23 Q. I would like to show you Page 11 from that GDS Report,
24 with the pie chart, and ask you if you are familiar

[WITNESS: Steltzer]

1 with this page?

2 A. It's been a while since I've read the report.

3 Q. Okay.

4 A. But, yes.

5 Q. Okay.

6 A. I'm familiar with the ideas of the "Maximum Achievable
7 Cost-Effective".

8 MS. THUNBERG: Okay. I would like to
9 have this one page of the GDS Report, Page 11, marked for
10 identification as the next exhibit.

11 CHAIRMAN IGNATIUS: It will be "45". So
12 marked for identification.

13 (The document, as described, was
14 herewith marked as **Exhibit 45** for
15 identification.)

16 BY MS. THUNBERG:

17 Q. And, I realize this report is from 2009, but we'll work
18 with these numbers. And, is it correct this figure --
19 pie chart is the "Residential Electric Energy
20 Efficiency Maximum Achievable Cost Effective - by End
21 User" table? Is that -- am I reading into the record
22 the correct title of this table?

23 A. It's Figure 1, yes.

24 Q. Thank you. On this pie chart, there are two large

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1 sections, one in blue, one in kind of maroon, showing a
2 percentage of "34" and a percentage of "18", do you see
3 those?

4 A. I do.

5 Q. And, what measures are those?

6 A. "Lighting-SF" and "Lighting-MF".

7 Q. And, are you aware that "SF" refers to "single family"
8 and "MF" refers to "multifamily"?

9 A. Yes.

10 Q. Okay. Now, from this pie chart, do you see that "Space
11 Heating for multifamily" represents about 3 percent?
12 In green, near the top, around 11:00, if this were a
13 clock.

14 A. "Space Heating and Space Cooling - MF", yes, it's
15 3 percent.

16 Q. Okay. And, then, there's, let's see, "Space heating
17 and cooling for single family", in turquoise, that's
18 7 percent?

19 A. Yes.

20 Q. And, do you see "New construction for single family" at
21 4 percent?

22 A. Yes.

23 Q. Now, would you agree that this "space heating -
24 multifamily" and "single family" and the "new

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1 construction" would be covered under weatherization
2 programs?

3 A. Which weatherization program?

4 Q. Like the HPwES, or the predecessor.

5 A. So long as it complies with the Home Index scoring,
6 yes, it would be eligible.

7 Q. Thank you for that clarification. Things like -- that
8 are indicated on this pie chart, "Pools", "Electric
9 Appliances", "lighting", "standby power", and "Water
10 Heating" would not be things that would be covered
11 under weatherization programs, correct?

12 A. I feel fairly confident to say "pools" would not be.
13 As far as "electric appliances" go, there are
14 provisions of the Home Performance with ENERGY STAR
15 Program that does provide assistance to replace
16 refrigerators, for example. And, so, there could be
17 some savings in those replacement of those devices.

18 Q. Okay. These savings in this report for -- we just
19 covered the "space heating - multifamily" and "space
20 heating - single family" and "new construction", that
21 3, 7, and 4 percent would total about 14 percent of
22 savings, correct?

23 A. Correct. And, I would add that that is related to the
24 provision of electricity.

[WITNESS: Steltzer]

1 Q. Uh-huh. Did you bring Exhibit 23, the CORE filing, up
2 to the --

3 A. I did not, no.

4 Q. You don't happen to have Page 24 from the other day
5 when we were talking about the report, do you?

6 A. Now, you're pressing me.

7 Q. I'm going to ask you a few budget questions.

8 A. I don't up here. I may, at my seat, but I don't here
9 on the stand.

10 MS. THUNBERG: Yes. I found a clean
11 copy here.

12 (Atty. Thunberg handing document to the
13 witness.)

14 CHAIRMAN IGNATIUS: Can I ask, which
15 document are you asking him to look at?

16 MS. THUNBERG: This is Page 24 of
17 Exhibit 23. And, it was "Attachment A" -- "Attachment A"
18 to 23, 23 was the Settlement Agreement, Attachment A was
19 the CORE Energy Efficiency Programs. And, Page 24 had a
20 cost-effectiveness budget detail.

21 CMSR. HARRINGTON: Is this
22 "Attachment A" or "Attachment F"?

23 MS. THUNBERG: It should be Exhibit 23,
24 Attachment A, Page 24.

[WITNESS: Steltzer]

1 CHAIRMAN IGNATIUS: Well, it's marked
2 "Attachment F" in the top right corner.

3 MS. THUNBERG:

4 CMSR. HARRINGTON: It says "Page 1 of 5
5 (Revised 12-15-2011)"?

6 MS. THUNBERG: Yes. I see what you're
7 looking at right now. Yes, that's -- it does say
8 "Attachment F" on it. Thank you.

9 BY MS. THUNBERG:

10 Q. Okay. Now, I just wanted to run through a couple of
11 numbers, I don't know if you have a calculator up
12 there, but maybe you'll rely on my math here. Mr.
13 Steltzer, under the "Residential" section, if you were
14 to add the top line, Home Energy Assistance",
15 "2,182,000", and then the "HPwES Program", "Utility
16 Costs", underneath that, the "1,660,000", and then the
17 "ENERGY STAR Homes", "1,033,000" figure. Subject to
18 check, would you agree that it comes out to about
19 4.8 million?

20 A. Yes, I would.

21 Q. And, if I take that 4.8 million, divided by the
22 subtotal for Residential, it would be about 69 percent
23 of the budget for these programs?

24 A. Subject to check, yes.

[WITNESS: Steltzer]

1 Q. Okay. And, when I -- the reason for me walking through
2 that 69 percent is I want to go back to the pie chart
3 on this GDS Report. We just walked through that these
4 weatherization programs -- or, rather, the space
5 heating for single family, multifamily, and new
6 construction represented about 14 percent. So, I
7 wanted to get your comment on, we have a budget, which
8 is 69 percent of residential, and it's targeting what
9 seems to be 14 percent of what GDS's Report says are
10 savings?

11 CHAIRMAN IGNATIUS: I'm sorry, before
12 you answer, can you -- Ms. Thunberg, just the premise of
13 your question, can you go through a little more slowly
14 which categories you're adding from the Exhibit 45 to get
15 to 14 percent?

16 MS. THUNBERG: Oh. For 14 percent? It
17 is the "space heating - multifamily", which is 3 percent.
18 It's kind of a green color. Then, there's "space heating
19 - single family" for 7 percent, which is turquoise, at
20 about 9:00 on that pie charts. And, then, there's "new
21 construction - single family", which is 4 percent, and
22 that is red, around 11:00. So, those are the three that
23 we added up that could be under weatherization, with the
24 caveat that Mr. Steltzer had added in his testimony, and

[WITNESS: Steltzer]

1 came to 14 percent.

2 CHAIRMAN IGNATIUS: I thought Mr.
3 Steltzer was also adding other categories. Didn't he
4 speak to "electric appliances"? And, I'm not sure if you
5 ever asked him if there were other categories he had.

6 MS. THUNBERG: Thank you.

7 BY MS. THUNBERG:

8 Q. Mr. Steltzer, when you had the caveat you were talking
9 about, I think, the refrigerator?

10 A. Correct.

11 Q. Because what I'm asking for is a comparison of this
12 14 percent, what I came up with, and the 69 percent
13 budget. But, if my 14 percent needs to be adjusted,
14 because you think that there are other things that are
15 in a weatherization program that are on this pie chart
16 in percentage form, --

17 A. Uh-huh.

18 Q. -- did you want to correct my 14 percent?

19 A. Yes. I would suggest that a number of these items
20 could be addressed through the Home Performance with
21 ENERGY STAR Program. Recognizing that the Home
22 Performance with ENERGY STAR Program does serve some
23 multifamily homes, I believe the requirement is that it
24 has to have five units or less. And, when an auditor

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1 does go to the home to participate and provide
2 assistance to the homeowner, they do look at lighting
3 and install light bulb systems. They do look at water
4 heating system for the household. And, so, as long as
5 there are cost-effective improvements that could be
6 included, then, yes, they would receive those services
7 underneath the Home Performance with ENERGY STAR
8 Program.

9 Q. One more stab at this. With the 14 percent, and you
10 mentioned that there are other categories, is it
11 possible to have a percentage -- for you to identify a
12 percentage, other than the 14 that I'm coming up with,
13 to compare to the budget?

14 A. Not off of this pie chart here. As it would be
15 difficult, specifically, at least one example is with
16 the multifamily homes. How much of this lighting
17 improvement is coming from multifamily homes that are
18 above five units or how much is below?

19 Q. Okay.

20 MS. GOLDWASSER: Madam Chair? I have a
21 question or a clarification. I think Mr. Steltzer is
22 thinking about the gas programs with the number five for
23 multifamily. So, I don't know if you'd like me to correct
24 that. It's a factual issue with respect to the CORE

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1 Programs. I just don't want to proceed under an
2 assumption that I don't think applies to the electric
3 HPWES Program.

4 CHAIRMAN IGNATIUS: I think that's -- if
5 we're getting something crossed over on a factual basis in
6 the record, I'm happy to have that clarified. And,
7 perhaps, if, Mr. Steltzer, if you don't know, Mr. Nute, I
8 would think does, or one of the utility reps, Mr. Palma
9 may --

10 MS. GOLDWASSER: Yes. I mean, I can ask
11 Mr. Palma or Mr. Gelineau to explain it all, if that's
12 helpful.

13 CHAIRMAN IGNATIUS: Let's first -- any
14 objection, Ms. Thunberg? We're sort of in the middle of
15 your questioning.

16 MS. THUNBERG: No. No. And, I want to
17 make sure that I'm dealing with accurate facts here. So,
18 I appreciate any clarification or offers of proof.

19 MS. GOLDWASSER: Yes.

20 MS. THUNBERG: Thank you.

21 MS. GOLDWASSER: I just didn't want to
22 go down a path that wasn't exactly the path as I
23 understand it. So, however you would like to proceed.

24 CHAIRMAN IGNATIUS: Mr. Steltzer, do you

[WITNESS: Steltzer]

1 know any more on the cutoffs between multifamily and
2 single family, between electric and gas programs?

3 WITNESS STELTZER: I don't. And, I
4 think I was hesitant in my response to suggest that I
5 believe that it was five. But I don't know that exact
6 number of where that cutoff is.

7 CHAIRMAN IGNATIUS: All right. Well,
8 rather than doing a record request and all that, maybe we
9 can just, it's a little unusual, but, if there's no
10 objection, Mr. Palma, can you just clarify for the record
11 what your understanding of the program criteria are
12 between multi and single family?

13 MR. PALMA: Absolutely. My
14 understanding is, on the gas side, it's five plus units
15 multi -- I'm sorry, master metered. On the electric side,
16 in Home Performance, the filing is actually silent as to
17 multifamilies. So, there's really no limit, upper or
18 lower.

19 CHAIRMAN IGNATIUS: So, in the gas
20 programs, if you have five or more units and they are
21 master metered, they are not eligible for HPwES?

22 MR. PALMA: Yes, that's correct.

23 CHAIRMAN IGNATIUS: And, on electric,
24 multifamily isn't defined?

[WITNESS: Steltzer]

1 MR. PALMA: It's not defined in the
2 HPWES Program. And, there's no multifamily program on the
3 commercial side. So, --

4 CHAIRMAN IGNATIUS: So, there are some
5 multifamily units with electricity that are receiving
6 HPWES funding?

7 MR. PALMA: Yes. That's correct. I
8 mean, normally, if an electric multifamily was master
9 metered, it would fall into the C&I programs, because that
10 master meter would be a C&I account. But, generally
11 speaking, the electric multifamilies are all individually
12 metered. So, they would fall under the Home Performance
13 programs.

14 CHAIRMAN IGNATIUS: Thank you.

15 MS. THUNBERG: If you don't mind,
16 Chairman Ignatius, I'm going to have my analyst ask a
17 couple of questions. I think we can move off of this
18 topic quicker that way.

19 CHAIRMAN IGNATIUS: That's fine.

20 MS. THUNBERG: Thank you.

21 BY MR. CUNNINGHAM:

22 Q. If I could just frame this question a little bit for
23 you, Mr. Steltzer. What counsel is -- the direction
24 that counsel is going in is to identify the percentage

[WITNESS: Steltzer]

1 of the residential sector budget that's being spent on
2 fuel neutral programs, and that was the 69 percent
3 figure. The question that we're trying to get at is,
4 how could you -- could you explain the appropriateness
5 of spending 69 percent of a residential sector budget
6 to chase after 14 percent of the electric savings?

7 A. Well, I would challenge whether that 14 percent is a
8 total assessment of all the energy savings that are
9 being identified through a Home Performance with ENERGY
10 STAR Program. But I believe you had asked me a
11 question similar to that in the data request, of "how
12 could Office of Energy & Planning support a fuel blind
13 Home Performance with ENERGY STAR Program when there
14 are additional electric savings that could be
15 achieved?" And, I believe my response, from
16 recollection, is that "it's legal". And, so,
17 therefore, it's fair to allow the utilities to
18 implement a program that has been determined to be
19 legal. We might not like that policy choice, but it
20 certainly is -- I have difficulty identifying whether
21 it's fair or not. I also think that the opportunity is
22 so great out there for those energy savings, and that
23 is achieving other goals, such as the Climate Action
24 Plan and the 25x'25 Plan. That, even if, outside of

[WITNESS: Steltzer]

1 the discussion of whether it's fair or not, from a
2 legal perspective, I think there's a lot of support
3 suggests that this is in the interest of the
4 residential ratepayers. I'd also note that a
5 predominantly large number of residential electric
6 ratepayers pay for the Home Performance with ENERGY
7 STAR Program. And, if it is limited to electric
8 savings only, they will be prevented from participating
9 in a program that they pay into. And, quite frankly, I
10 don't believe that's fair. I believe, if someone pays
11 into a program, that they should have an opportunity to
12 participate.

13 Q. Thank you. I would like to put on the record a
14 clarification of the savings that are being proposed by
15 PSNH for the fuel blind programs that pertains to
16 electricity.

17 MS. HOLLENBERG: Can I just have a
18 clarification of what's going on right now?

19 MR. CUNNINGHAM: Again, the Staff is
20 trying to inform the Commission that 69 percent of
21 PSNH's --

22 MS. HOLLENBERG: I'm just going to --
23 I'm sorry. Staff will have an opportunity to testify. I
24 guess I'm just confused about a clarification being

[WITNESS: Steltzer]

1 offered by a factual witness on the Bench.

2 MR. CUNNINGHAM: The witness has said he
3 didn't know what the percentage of electric savings was.
4 And, I'm just simply pointing out that it's in Exhibit 23,
5 Page 25 of the filing, and it's approximately 14 percent.
6 And, that's all I'm trying to accomplish.

7 WITNESS STELTZER: I need to look back
8 at the transcript of what I said. But I believe what I
9 was referring to, about "not knowing the electric
10 percentages for savings", was regarding Exhibit 45. And,
11 the discussion about the "14 percent", and I was
12 challenging whether the "14 percent" number that was
13 calculated by Staff was accurate as far as the total
14 energy savings, electric energy savings, from this pie
15 chart that would be achieved by the Home Performance with
16 ENERGY STAR Program as a fuel blind program that's being
17 offered.

18 MR. CUNNINGHAM: And, all Staff is
19 pointing out is that the filing itself by PSNH identifies
20 the portion of electric savings that are related to the
21 fuel blind programs, that the Companies have put before
22 the Commission as their official filing. And, it's about
23 14 percent. And, that's all I'm saying.

24 CHAIRMAN IGNATIUS: If you have a

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1 question about that, please ask Mr. Steltzer. If not,
2 when you're testifying, you can get into that.

3 BY MR. IQBAL:

4 Q. My question is, again, going back to the 14 percent and
5 69 percent.

6 A. And, the "14 percent" is coming from Exhibit 45, --

7 Q. Yes.

8 A. -- while the "69 percent" is coming from Program Cost
9 Effectiveness 2012 Plan?

10 Q. Yes.

11 A. Yes.

12 Q. Do you remember some discussion about that, if you
13 don't do weatherization, we leave out a huge potential
14 electric savings, if we don't do weatherization for
15 fuel blind -- for other fuel programs -- other fuel
16 customers, heating customers, then we leave out a huge
17 portion of electric saving potential. Do you remember
18 that?

19 A. I'm having trouble following.

20 MS. HOLLENBERG: Could you repeat the
21 question please?

22 MR. IQBAL: Yes. Yes.

23 MS. HOLLENBERG: Thank you.

24 BY MR. IQBAL:

[WITNESS: Steltzer]

1 Q. My question is that -- that the idea is that, when we
2 save, we weatherize a fuel neutral house, whether it is
3 electric heated or not, there are some ancillary
4 electric savings?

5 A. Yes, there are.

6 Q. Okay. So, would you then agree with me that this
7 14 percent include that electric savings, too? It is
8 all about weatherization, 4 percent or 7 percent.

9 MS. HOLLENBERG: I'm sorry. I feel as
10 though I have to object on behalf of OEP at this point,
11 and you can rule as you want, just because they're not
12 represented by counsel. But I believe Mr. Steltzer has
13 stated that he doesn't know or agree with the 14 percent
14 offered by Staff, in terms of capturing the
15 apples-to-apples comparison with the 69 percent.

16 CHAIRMAN IGNATIUS: Well, it seems to me
17 we have two different things that add up to 14 percent,
18 unless I'm confused. One is certain segments of this
19 Figure 1 on Exhibit 45 that Staff identified added up to
20 14 percent. And, Mr. Steltzer said he thought that there
21 were more categories that really should be considered than
22 the ones identified by Staff, but couldn't come to an
23 exact number.

24 In addition, I thought Mr. Cunningham

[WITNESS: Steltzer]

1 was saying that calculations of electric savings from fuel
2 blind programs, separate from this pie chart, came to
3 14 percent. And, it's a coincidence that it's the same
4 number, but two very different calculations. Am I correct
5 in that?

6 MS. HOLLENBERG: From the filing, that's
7 my understanding as well.

8 CHAIRMAN IGNATIUS: And, if they are,
9 and I may be wrong, but that's what I thought we were
10 saying. If that is the case, then we need to know which
11 14 percent we're talking about, because one's a projected
12 study in 2009 and one's a calculation of current program
13 savings. So -- and, if I'm wrong about that, and it is
14 the same 14 percent we're talking about from the pie
15 chart, then let's be absolutely clear.

16 BY MR. IQBAL:

17 Q. Yes. So, let's focus on the pie chart, because it is
18 the potential study, and we are talking about the
19 potential, and how we allocate our resources. That's
20 the issue. So, if -- I understand that there is some
21 confusion that whether that 14 percent is accurate or
22 not. But, taking what GDS says, we can agree that that
23 is an approximate number we can agree with. And, this
24 14 percent is from weatherization and new

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1 construction --

2 (Court reporter interruption.)

3 BY MR. IQBAL:

4 Q. That 14 percent is the finding of GDS Report, which
5 constitute weatherization and new construction.

6 A. I guess I'll disagree, for the same reasons that I did
7 before, in that I believe there's other components of
8 this pie chart, Exhibit 45, that could get included as
9 electric energy savings in weatherization programs
10 being offered. Such as the Home Performance with
11 ENERGY STAR Program, that does offer lighting
12 assistance. It does offer rebates on appliances. I
13 quite safely say it does not include pools. But it
14 does have those other components being addressed as the
15 program does look at the house as a comprehensive whole
16 system, a whole system unit.

17 Q. I understand. But do you remember that -- that PSNH's
18 proposal actually says less than 2 percent of
19 electricity?

20 A. Subject to check, but I don't recall that off the top
21 of my head.

22 Q. So, if we consider it your other savings opportunity,
23 which is within this program, that is a very minuscule
24 amount of electric opportunity you are talking about.

[WITNESS: Steltzer]

1 A. Well, I think we can agree that the Home Performance
2 with ENERGY STAR Program, the savings that are being
3 achieved are primarily in non-electric savings. That's
4 -- I feel safe to say that. But it was determined by
5 the Commission that the Home Performance with ENERGY
6 STAR Program offered energy efficiency that was related
7 to the provision of electricity. And, certainly, there
8 are ancillary savings. I think the utilities have
9 identified that they're working on a methodology on how
10 to calculate that. They have some initial estimates
11 now that they have done with Cadmus Group, as well as
12 with efforts in Massachusetts, and will be putting
13 forth a good faith effort to estimate those electric
14 savings in future programs, if Home Performance with
15 ENERGY STAR Program is offered in a fuel neutral
16 capacity.

17 Q. So, you refer to this confusion that, whether the
18 ancillary savings is 42 kilowatt-hour, or something
19 more, 70 kilowatt-hour, or 1,000 kilowatt-hour, that
20 discussion you're referring to?

21 A. Yes. On the first day of hearing, I was here and heard
22 those comments.

23 Q. Do you remember that a utility witness talked about the
24 highest number, I think 1,300 kilowatt-hour, which is

[WITNESS: Steltzer]

1 by -- done by GDS Associates, for that information is
2 GDS's Study?

3 A. I don't recall exactly on that.

4 Q. Yes.

5 A. Subject to check.

6 Q. But the highest number to say that there are ancillary
7 savings is coming from GDS's Study, subject to check?

8 A. I think there were comments not only by the GDS Study,
9 but also from the Cadmus study, that there are
10 ancillary electric savings that are being achieved
11 through the fuel neutral Home Performance with ENERGY
12 STAR Program.

13 Q. That's right. But I'm saying that Cadmus is saying it
14 is 40 kilowatt-hour --

15 (Court reporter interruption.)

16 BY MR. IQBAL:

17 Q. Cadmus is saying that ancillary savings is 40
18 kilowatt-hour per year. But, as long as I remember,
19 that utility witness talked about some higher savings,
20 as an ancillary savings. And, I'm pointing out that
21 all those numbers are coming from GDS's study. Subject
22 to check, would you agree with that?

23 A. Subject to check, I don't know whether Cadmus is basing
24 their analysis, which I should note, wasn't in the

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1 report. It was kind of -- it was done after the fact,
2 in preparation and further consideration of this fuel
3 neutral Home Performance with ENERGY STAR Program going
4 forward and what that might be. So, I don't know, and
5 I don't recall from testimony I heard, whether
6 utilities were suggesting that Cadmus based their
7 analysis on GDS data.

8 Q. Okay. So, if we argue that that number is, subject to
9 check, that the highest number came from GDS Study.
10 Would you agree that this pie chart actually captured
11 that highest number? Because it's all about
12 weatherization, whether it's ancillary or not, --

13 A. Certainly, this pie chart does list some electric
14 energy savings that could be achieved through space
15 heating and cooling, which are ancillary savings.
16 Whether those amounts equal each other, you know, I
17 think it needs to be further analyzed. And, I'd note
18 also that there was testimony provided as far as what
19 Massachusetts is doing. And, so, I don't think, as I
20 heard it in testimony, the utilities were not
21 suggesting that it's either 42 kilowatt-hours, or it's,
22 you know, 180 kilowatt-hours. They're just recognizing
23 that there's a range. And, it's uncertain at this time
24 what is the ancillary savings. Though, they will put

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1 forth a good faith effort to concretely identify what
2 those savings -- what the ancillary savings are, so
3 that it could contribute to a more robust fuel neutral
4 Home Performance with ENERGY STAR Program, if the
5 Commission deems such a program should continue.

6 Q. Only thing I am saying, I don't disagree with you, but
7 only thing I'm saying that when they created the range,
8 but the question is that the highest range was coming
9 from the GDS's Study -- the highest limit of that range
10 is coming from GDS's study. That's what I'm saying.

11 A. I don't know.

12 Q. Okay.

13 MS. HOLLENBERG: And, with that
14 question, I guess I would ask that Staff not say "subject
15 to check", if he's stated -- actually, this is more than
16 the first time that he's said he doesn't know about the
17 answer to the questions.

18 BY MR. IQBAL:

19 Q. And, would you also agree that when gas customers
20 weatherize their house, they also achieve the ancillary
21 savings, electric savings?

22 A. Yes.

23 Q. And, when fuel oil customers weatherize their house,
24 they also achieve that ancillary electric savings?

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1 A. Yes. And, I'd note that those fuel oil customers are
2 residential electric ratepayers that are paying into
3 this program.

4 Q. And, so, you agree then that -- would you agree that
5 this chart actually reflect all those ancillary
6 savings, because it all talks about residential
7 electric savings from weatherization, multifamily and
8 is single family?

9 A. I would agree that the pie chart could include the
10 estimates for cost-effective ancillary energy savings.
11 What that percent is, I think, is undeterminable at
12 this time. It would take a little bit further analysis
13 to look into the estimates that are provided there.

14 BY MS. THUNBERG:

15 Q. Thank you, Mr. Steltzer. We're going to move on to
16 another discussion. You had in your testimony you
17 support the New Hampshire Climate Action Plan, and I
18 have a couple, a few questions related to that. I
19 assume, since you mentioned the "Climate Action Plan"
20 in your testimony, that you are familiar with -- that
21 you have read this document?

22 A. Yes.

23 Q. And, --

24 A. I read it a few years ago, and refer back to it as it's

[WITNESS: Steltzer]

1 coming up in policy discussions. But, yes, I have read
2 it.

3 Q. Okay. Do you know -- do you recall that the Climate
4 Action Plan was drafted by the New Hampshire Climate
5 Change Policy Task Force?

6 A. Yes.

7 Q. And, do you know the composition of that Task Force?

8 A. It was very widely -- it had a very broad membership to
9 the stakeholders, not only on who was on the Task
10 Force, but then the outreach that the Task Force did to
11 organizations and individuals throughout the state.
12 There were a number of sessions that were held. So, I
13 would say that the process that the New Hampshire
14 Climate Change Task Force took was very comprehensive
15 in reaching out to stakeholders.

16 Q. Do you recall former Commissioner Below was also on the
17 Task Force?

18 A. Yes, I believe I do. Yes.

19 Q. Turning to your testimony, on Page 4, Lines 2 through
20 5, there are a couple of statements that you make
21 there. And, while you're turning to that, I'll just
22 read it into the record.

23 CHAIRMAN IGNATIUS: Before you do that,
24 just for disclosure, I was also a member of the Climate

[WITNESS: Steltzer]

1 Change Task Force.

2 MS. THUNBERG: Thank you for that
3 clarification. I didn't mean to overlook you.

4 CHAIRMAN IGNATIUS: It's not a question
5 of overlooking, it's just full disclosure.

6 BY MS. THUNBERG:

7 Q. Mr. Steltzer, on Line 2, you start with the sentence
8 "One strategy highlighted in the plan is for the state
9 to retrofit 30,000 households annually with a
10 reduction" -- or, "with a 60 percent reduction in net
11 energy consumption." The next sentence: "The fuel
12 neutral HPwES Program is one component towards
13 assisting the state to meet this aggressive goal."

14 Now, the "goal" that you're referring to
15 in this testimony, is it the recommendation in the
16 report to maximize energy efficiency in buildings?

17 A. Yes.

18 Q. Do you have the Plan, the Climate Action Plan in front
19 of you?

20 A. I do not.

21 Q. Mr. Steltzer, I'd like to have you read a couple
22 portions of the Plan into the record.

23 MS. THUNBERG: And, I'm just going to be
24 showing Mr. Steltzer to refresh his recollection, a

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1 section -- Page 39 of the Plan.

2 CHAIRMAN IGNATIUS: Are they lengthy
3 sections or are they --

4 MS. THUNBERG: No. They're not lengthy
5 sections.

6 CHAIRMAN IGNATIUS: All right. I think,
7 in general, we don't need things read into the record.
8 But, if it's a specific statement or two, that's fine.

9 BY MS. THUNBERG:

10 Q. Mr. Steltzer, do you see the recommendation "Maximize
11 Energy Efficiency in Existing Residential Buildings
12 (RCI Action 1.2)"?

13 A. Yes, I do.

14 Q. Okay. And, is that one of the goals that you're
15 referring to in your testimony?

16 A. Yes, I am.

17 Q. And, underneath that "Maximize Energy Efficiency in
18 Buildings", does it have overall -- a section entitled
19 "Overall Implementation" down below?

20 A. Yes, it does.

21 Q. And, there are some bulleted implementation listings
22 here. Do you see those?

23 A. Yes, I do.

24 Q. And, is one of them to "Develop sustainable funding

[WITNESS: Steltzer]

1 mechanisms"?

2 A. Yes, it is.

3 Q. And, another one is "Legislation likely needed to enact
4 these measures"?

5 A. Yes. They're attempting to achieve 30,000 homes
6 annually, which is a very aggressive goal. And, I
7 think it astutely notes that legislation, as well as
8 sustainable funding mechanisms. It doesn't identify
9 what sources those sustainable funding mechanisms could
10 come from. But, having been involved in these energy
11 efficiency programs, I would suggest that that is not
12 limiting itself solely to public funds, but how to tap
13 into private financing mechanisms would be a great
14 avenue to achieve that sustainability.

15 Q. Okay. I appreciate that explanation. I just have a
16 succinct question. You're not arguing, are you, that
17 the New Hampshire Climate Action Plan specifically
18 recommends that the present HPwES Program be funded
19 exclusively by the SBC?

20 A. It is not. I would also say that it is not saying that
21 it shouldn't either.

22 Q. Okay. And, I'd like to just have you elaborate. You
23 had said in your testimony just now that there were
24 "other sources of funding". Would that -- that the

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1 Task Force could be looking at. Would that include an
2 oil surcharge perhaps?

3 A. It could. I certainly wouldn't suggest that. I was --
4 my comments were more derived at what other states are
5 using, to use public funds, such as System Benefits
6 Charge funds, to create credit enhancement programs,
7 that could be used to leverage private capital to cover
8 the cost of installing these measures.

9 Q. Okay. What about the idea of using RGGI funds? What
10 would your comment be about using RGGI to implement
11 this recommendation from the Climate Action Plan?

12 A. RGGI funds have been used to fund the Home Performance
13 -- an expansion of the Home Performance Program in the
14 past through a competitive solicitation process. And,
15 I'm aware of HB 1490, having passed both the Senate and
16 the House, that would allocate funds from -- well, get
17 rid of the Greenhouse Gas Emissions Reduction Fund and
18 create Energy Efficiency Fund, which would allocate
19 funding to the CORE electric utility programs.

20 I have some caution towards that. I
21 think the merit that we have here is not whether RGGI
22 funds should be used or not, but it's whether --
23 whether it's fair to use System Benefits Charge funds.
24 So, I think they're two different questions. And,

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1 then, second to that is, with the RGGI funds, there has
2 been a precedent for those funds to be used to reduce
3 greenhouse gas emissions reductions, and that has --
4 and could be achieved through thermal energy efficiency
5 savings. It is unclear, at least to me, at this point
6 in time, as these dollars would go to the CORE Program,
7 whether that could happen. And, I think that's a good
8 open question that should occur, if and when HB 1490
9 becomes law.

10 Q. If 1490 became law and -- or, in the alternative, RGGI
11 funds were used for the non-electric savings of HPWES,
12 do you have an opinion on whether that would resolve
13 the difference between Staff and I guess the rest of
14 the parties here?

15 A. I believe it would. As it's your recommendation, in
16 Option Number 2, that Staff was suggesting that this
17 could alleviate some of the concerns that they have
18 towards this. I should note that, in my -- in the past
19 three years that I've been participating in this
20 program, I haven't heard of that being an option.
21 Maybe I could have listened a little bit better, but I
22 don't recall that being an option until I saw it in
23 Staff's testimony.

24 Q. I just want to revisit a brief line of questioning that

[WITNESS: Steltzer]

1 you had with Attorney Goldwasser earlier. And, this
2 was relating to whether electric generation -- I'm
3 sorry, let me just pull that exhibit. This is
4 Exhibit 43. This was a discussion about electricity
5 generation versus buildings. I just wanted to ask you
6 a couple questions about that.

7 CHAIRMAN IGNATIUS: Ms. Thunberg, before
8 you go on, just thinking about taking a break for the
9 court reporter. How much more do you think you have in
10 overall?

11 MS. THUNBERG: Less than a half hour.

12 CHAIRMAN IGNATIUS: All right. Why
13 don't we take a break now. You can pick up with Exhibit
14 43 when we get back.

15 MS. THUNBERG: Thank you.

16 CHAIRMAN IGNATIUS: Let's take a break
17 for ten minutes. So, let's try to be back at 10:45.
18 Thank you.

19 (Whereupon a recess was taken at 10:36
20 a.m. and the hearing reconvened at 10:53
21 a.m.)

22 CHAIRMAN IGNATIUS: Ms. Thunberg, are
23 you ready to continue?

24 MS. THUNBERG: Thank you.

[WITNESS: Steltzer]

1 BY MS. THUNBERG:

2 Q. Mr. Steltzer, we were looking at Exhibit 43. And, you
3 were just recalling that you had been asked a few
4 questions by Attorney Goldwasser about whether to put,
5 I think, "buildings" or "electric generation" first as
6 a priority. Do you recall that discussion?

7 A. I do recall it.

8 Q. I would like to come at it from a different angle,
9 with -- would you agree that, if energy efficiency
10 funds were spent on buildings or electric generation
11 measures, that both return -- both reduce greenhouse
12 gas emissions?

13 A. Yes, they would. But, as far as the priority ranking,
14 which -- where would be best to utilize those dollars,
15 it certainly would be on the building side.

16 Q. And, next, I'd like to just ask you, would you agree
17 that a difference would be that, if you were achieving
18 electric savings through electric measures, through
19 either generation or buildings, that those electric
20 savings stay in the electric system?

21 A. By its nature of being electric, yes.

22 Q. And, if you were to use energy efficiency funds for
23 non-electric measures, those savings would be
24 non-electric and would go outside of the electric

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1 system. Would you agree?

2 A. They would.

3 Q. Okay. And, if savings become non-electric, would you
4 agree that that reduces the indirect system benefits to
5 all customers?

6 A. No.

7 Q. You're familiar with a concept of "double benefits"
8 that the Commission has used in the past?

9 A. I am.

10 Q. And, in "double benefits", would you agree that part of
11 it, one prong is that there are direct benefits to
12 customers who participate, and then -- in a energy
13 efficiency program, and then, secondly, that there are
14 indirect benefits to all customers because of the
15 lowering of electricity?

16 A. Yes, I am familiar with that. And, I would, when the
17 question was posed as far as indirect benefits, there
18 are other indirect benefits that society at large is
19 achieving. Whether it's greenhouse gas emissions
20 reductions, and that being important for our state to
21 reduce. Whether it's reducing our reliance on foreign
22 oil and keeping dollars locally occurring within New
23 Hampshire. There's a whole host of other indirect
24 benefits that could be achieved through a fuel neutral

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1 Home Performance with ENERGY STAR Program.

2 Q. Now, when the Commission has been using the word
3 "indirect benefit" or "ancillary savings", would you
4 agree that it has been more focused on the second prong
5 of the "double benefits", in that it's just indirect
6 benefits to customers who are on the system, rather
7 than these other benefits to society?

8 A. Yes. And, I would also -- I think it's a very
9 important component to energy efficiency.

10 Q. And, sticking with just the Commission's use of
11 "indirect benefits", by diverting savings outside of
12 the electric system, and that would be through the
13 non-electric savings, would you agree that electric
14 ratepayers do not receive an indirect system benefit as
15 a result of that?

16 A. I believe they do get some benefits as there are
17 ancillary savings. I think you're making a distinction
18 that, and correct me if I'm wrong, that there would not
19 be as much of a benefit to the second component, the
20 societal benefits.

21 Q. You're correct. That should have been my question.
22 Thank you for the clarification.

23 A. And, yeah, you know, just thinking about it, yes, I
24 think I would agree with that assessment. But what I

[WITNESS: Steltzer]

1 still struggle with is how it relates to the matter
2 that's before the Commission, about whether it's "fair"
3 to use System Benefits Charge, as it is legal.

4 Q. I now want to touch on the fairness issue. I know
5 earlier in your testimony you said, let's see, "it's
6 difficult to identify whether it's fair." I don't know
7 if that was your exact testimony earlier today?

8 A. I don't believe I said that. I think it is clearly
9 fair for System Benefits Charge charges to be used for
10 a fuel neutral Home Performance with ENERGY STAR
11 Program. And, if I didn't make that clear, I'm glad
12 you provided me the opportunity to make that very
13 clear.

14 Q. Thank you. On Page 5 of your testimony, Line 15, you
15 state that "It has been widely accepted that it is fair
16 for all ratepayers to contribute to the SBC, even
17 though it is" -- "there is not enough funding for all
18 ratepayers to receive a direct benefit by participating
19 in the CORE Programs." Do you see that?

20 A. Yes, I see that.

21 Q. Is it your position that it is irrelevant that all
22 electric customers using HPwES contribute equally to
23 the System Benefit Charge?

24 A. Could you repeat the question.

[WITNESS: Steltzer]

1 Q. Is it -- would it be your -- what is your position or
2 is it your position that it is then irrelevant that all
3 electric customers using HPwES contribute equally to
4 the System Benefit Charge?

5 A. They do contribute equally, as the System Benefits
6 Charge is structured on the kilowatt-hours that are
7 used. And, I think I could have -- I think I could
8 have worded this section of my testimony better. I
9 don't know if it will be helpful for me to explain it
10 briefly.

11 Q. How so?

12 A. But what I'm attempting to make the comparison here is
13 that we have had a program whereby it has been deemed
14 "fair", as it's been ordered by the Commission, that
15 all ratepayers in the state should pay into the System
16 Benefits Charge funds. Recognizing that there aren't
17 enough System Benefits Charge funds to provide
18 assistance to every single ratepayer in the state, it's
19 just the money doesn't work out there. So, if it's
20 been deemed "fair" that all should pay, but not all
21 should directly benefit, then it must clearly be fair
22 for an individual electric residential ratepayer who
23 pays into the System Benefits Charge to receive direct
24 benefits through a fuel neutral Home Performance with

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1 ENERGY STAR Program. And, that if the Home Performance
2 with ENERGY STAR Program is focused only on Home Energy
3 -- is an electric option only for -- such as the Home
4 Energy Solutions Program, it would prevent ratepayers
5 even further from participating in programs that they
6 pay into. And, I don't believe that that is fair.

7 Q. You're aware that the LDAC is also a surcharge that
8 pays in -- supports energy efficiency programs, are
9 you?

10 A. Yes, I am.

11 Q. And, oil heating customers do not pay an energy
12 efficiency charge on their heating usage, correct?

13 A. No, they do not.

14 Q. And, that would be the same for like kerosene or wood?

15 A. Yes.

16 Q. And, when you say that "all residents" -- or, "all
17 customers pay into the Systems Benefit Charge", are you
18 aware that, in a ballpark figure, that about -- a
19 typical New Hampshire house -- household uses
20 approximately 25 percent of their energy use for
21 lighting, and about 75 percent for heating? Their
22 energy use is what I'm talking about.

23 A. Rough ballpark, yes.

24 CHAIRMAN IGNATIUS: I'm sorry. Can I

[WITNESS: Steltzer]

1 just clarify? 25 and 75 percent of what were you asking?

2 MS. THUNBERG: The original question was
3 "would you agree that a typical New Hampshire household
4 uses approximately 25 percent of their energy usage on
5 lighting, 75 percent on heating?" And, I'm only talking
6 energy use, not electric use.

7 CHAIRMAN IGNATIUS: Thank you.

8 MR. EATON: Does that exclude
9 appliances?

10 WITNESS STELTZER: Thank you for that
11 clarification. I had interpreted that to be electric
12 usage, not specific to lighting. So, I would expand it.

13 MS. THUNBERG: Yes, it would -- by that
14 ballpark, my question implied that or inferred that
15 lighting and appliances would be in that 25 percent.

16 WITNESS STELTZER: Correct. All
17 electricity usage in that home, you know, a very rough
18 estimate, would be around 25 percent. I would say that it
19 used to be -- I would estimate that it was probably a
20 higher percentage, historically, as oil has -- which is a
21 predominant fuel source in New Hampshire, more than --
22 around 55, 60 percent of the homes in New Hampshire heat
23 with oil, and that cost has risen dramatically in the time
24 frame. And, so, that has become a larger percentage of a

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1 home's energy bill.

2 CHAIRMAN IGNATIUS: Well, that's why I
3 was trying to clarify, because I think we just switched
4 measures. I think the question, Ms. Thunberg, was energy
5 usage, not energy expense?

6 MS. THUNBERG: This was energy use.

7 WITNESS STELTZER: Thank you for that
8 clarification.

9 BY MS. THUNBERG:

10 Q. I have another angle on this "fairness" question. You
11 already testified that you understand that oil
12 customers do not pay into the energy efficiency funds,
13 whether it be SBC or LDAC, on account of their heating
14 usage, correct?

15 A. On account of their heating usage, yes.

16 Q. Okay. And, what would you -- what would your comment
17 be or what would your opinion be if we let -- if oil
18 customers or oil heating customers do not pay into
19 energy efficiency, then why shouldn't gas heating
20 customers also not pay into energy efficiency?

21 MS. HOLLENBERG: And, I would just make
22 the comment that that's not what I heard. I heard Mr.
23 Steltzer testify that they didn't pay into energy
24 efficiency on the basis of their heating or their fuel,

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1 heating fuel usage. So, the question that was just asked
2 didn't include that nuance.

3 MS. THUNBERG: I'm okay with that -- I'm
4 okay with that clarification.

5 CHAIRMAN IGNATIUS: Why don't you ask
6 the question again then please.

7 BY MS. THUNBERG:

8 Q. If oil customers do not pay an energy efficiency charge
9 on their heating, then wouldn't it be appropriate to
10 allow gas customers to not pay into energy efficiency
11 on account of their heating to support the HPwES
12 Program?

13 A. It's a policy decision there. It is -- I've testified
14 to, for the past four years, there's been this concept
15 of a thermal system benefits charge for oil. There's
16 been little action. There's been little action on that
17 type of provision across an entire country,
18 recognizing, in the SB 323 Study, that Vermont is the
19 only state that has adopted such a measure.

20 What is more commonplace, that is
21 happening across the country, is that policymakers are
22 deciding that it is a best public policy to allow all
23 cost-effective energy efficiency to be attained. That
24 is the case in Massachusetts, that is the case in Rhode

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1 Island, and a number of other states, that utilize
2 electric ratepayer funds for energy efficiency
3 programs.

4 That said, I'd also note, previously, as
5 it was discussed about RGGI, and it's good to note that
6 the people who are paying for RGGI are electric
7 ratepayers. So, if the RGGI funds are utilized for a
8 fuel neutral Home Performance with ENERGY STAR Program,
9 it is the very same user, based off of the same unit of
10 measurement that will be paying the fund.

11 Q. Is it fair to say that OEP is amenable to some amount
12 of subsidization between customer groups then to fund
13 HPwES, if some customers pay like an LDAC through their
14 heating, and oil customers do not pay a energy
15 efficiency charge on their heating?

16 A. At this time, OEP would not support a oil system
17 benefits charge fund.

18 Q. My question is, is OEP then amenable to there being
19 some kind of subsidization between customer groups for
20 paying for HPwES?

21 A. I think what we believe is fair is to use electric
22 System Benefits Charge funds. I think it needs to be
23 done with good consideration, as far as the balance to
24 societal benefits, for the overall programs. But I

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1 certainly wouldn't, you know, it is our position that
2 SBC funds, which are paid for through electric
3 ratepayers, should be used for a fuel neutral Home
4 Performance with ENERGY STAR Program.

5 Q. I understand that. Thank you. But what I'm getting at
6 is, you're aware that some customers pay into the fund,
7 either through an SBC or an LDAC, or some customers pay
8 into the energy efficiency fund through just an SBC,
9 correct?

10 A. Yes. Just by process of elimination of the
11 combinations there. There are gas ratepayers that also
12 have electricity and are therefore paying into energy
13 efficiency programs, via different mechanisms, but are
14 paying into two different efficiency programs that
15 enable them to achieve energy savings. And, then,
16 likewise, there are some oil customers that don't pay
17 into the LDAC, and so they only pay on the electric
18 side of things. I think that's where you're getting
19 at.

20 Q. Yeah. And, you recall Joseph Bates, who made a public
21 statement this morning, do you recall him saying that
22 "all customers contribute equally to energy
23 efficiency"? Do you recall that testimony or --

24 A. I don't recall it. I was thinking a little bit of

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1 preparing for the testimony here. So, I probably
2 should have listened a little closer.

3 Q. Would you agree that all customers do not pay exact
4 equally into energy efficiency funds?

5 A. Yes. Because -- yes and no. Yes, as far as there are
6 folks who are natural gas customers that are electric
7 customers also, and so they are paying a higher portion
8 for energy efficiency improvements. No, on the basis
9 that the System Benefits Charge for all electric
10 ratepayers is a set mill rate that is based off of
11 kilowatt-hour usage. And, so, that is evenly paid for
12 based off of usage by different households. And, yes,
13 usage will increase for some, compared to others,
14 depending on the size of their house and the load, but
15 the rate at which they pay is the same.

16 Q. Would you agree that there is a small amount of or
17 there is some amount of discrimination then between
18 gas and --

19 MS. HOLLENBERG: I'm sorry. I was just
20 going to offer an objection that it sounded like a legal
21 question.

22 CHAIRMAN IGNATIUS: Well, let's hear the
23 question first please.

24 BY MS. THUNBERG:

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1 Q. Would you agree that there is some amount of
2 discrimination going on between the oil, wood, kerosene
3 heating customers and gas customers in who pays into
4 energy efficiency then?

5 MS. THUNBERG: I don't believe it calls
6 for a legal conclusion. It's --

7 MS. HOLLENBERG: Well, I guess I would
8 just offer that "discrimination" is sort of a term of art.
9 But, if Mr. Steltzer is comfortable with answering.

10 CHAIRMAN IGNATIUS: Mr. Steltzer.

11 **BY THE WITNESS:**

12 A. I'll answer the question. And, yes, the word
13 "discrimination" is tough to me to arrive at a specific
14 answer to. But, by the very -- I'll just say it as
15 I've said before, you know, I do agree with the
16 Commission's position that there is a fact that oil,
17 propane, kerosene, and wood customers that use those
18 fuels for heating purposes do not pay into an energy
19 efficiency fund based off of their heating usage.

20 BY MS. THUNBERG:

21 Q. Thank you. I just have a few more questions. You're
22 familiar with the VEIC Report, Independent Study of
23 Energy Policy Issues, aren't you?

24 A. Yes, I am.

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1 Q. And, I have a general question about, are you aware
2 that the VEIC Report discussed "fairness" in terms of
3 who pays and who does not pay into energy efficiency?

4 A. They raised the subject of it. They did not offer an
5 opinion on that. And, yes. I hope to have some
6 further clarification on that on cross-examination of
7 Commission Staff as well.

8 Q. Okay. I would like to show you one page from that VEIC
9 Report.

10 MS. THUNBERG: The VEIC Report is on the
11 Commission's website, but it is very voluminous. And, I'm
12 showing you Page 3. -- or, 3-13, rather, of that report.
13 And I'd like to have it marked for identification.

14 CHAIRMAN IGNATIUS: This is Exhibit 46
15 we'll mark for identification, Page 3-13 from the VEIC
16 Report.

17 (The document, as described, was
18 herewith marked as **Exhibit 46** for
19 identification.)

20 (Atty. Thunberg distributing documents.)

21 BY MS. THUNBERG:

22 Q. Now, Mr. Steltzer, I'd like to just draw your attention
23 to the top two paragraphs of the page that I just gave
24 you.

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1 A. Yes.

2 Q. Have you read this before?

3 A. Yes, I have.

4 Q. Okay. Would you agree that the VEIC Report says it
5 would be a challenge to use the SBC to fund HPwES?

6 A. No, I would not. I believe you're referring to the
7 second paragraph, second sentence, and it doesn't say
8 "challenge". They say, "The use of SBC funds for that
9 purpose is not always welcomed", is the language that
10 they used. I think it's important to note, though,
11 while they offer that statement, they go on further to
12 say, "However, if efficiency programs are offered
13 solely for regulated electric and gas customers, there
14 is the potential to forego crucial cost-effective
15 energy savings for customers of unregulated fuels."

16 Q. Now, I'd like to just draw your attention to how
17 they're characterizing the ratepayers. They're not
18 focusing, correct, on residential versus commercial,
19 when they're discussing fairness of funding, is it?
20 Would you agree?

21 A. I'd have to look at it a little bit more. You know,
22 they're talking up above, in the first sentence, they
23 say "estimated 74 percent of homes", so that would
24 certainly refer to the residential side. Down below,

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1 they talk about "oil, propane, and wood fuel" for
2 customers. While certainly companies and the
3 commercial/industrial sector does use those fuel
4 sources as well, at least casually looking at it, it
5 makes me suggest that they are focusing on the
6 residential side of it. And, I will also note --

7 Q. Okay.

8 A. Sorry. I'm just looking at this as well. So, Footnote
9 24 refers to some statistics referencing residential
10 sector as well.

11 Q. Now, you're familiar with Staff having looked at
12 "fairness" in terms of Group 1 and Group 2, correct?

13 A. I am.

14 Q. And, in looking at how VEIC is looking at the use of
15 the funds, wouldn't Staff's Group 1 and Group 2 be
16 reasonably similar to how VEIC is looking at
17 "fairness", of who pays and who uses the energy
18 efficiency funds?

19 A. No, not at all. VEIC is not making a suggestion which
20 way is better than another. They're simply
21 highlighting that -- that the appropriateness to use
22 such funds is prime for discussion. Similar to what
23 GDS Study recommended, and we're accomplishing here.
24 What I will go further to say, though, is, in the five

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1 examples that they provided, Vermont, Massachusetts,
2 Rhode Island, Wisconsin, Maine, only one of those
3 options has, in case studies, is supporting Staff's
4 position, and that is Vermont, with the oil fuel
5 surcharge. Both Massachusetts and Rhode Island have
6 opted to use all cost-effectiveness for energy
7 efficiency that is paid for through electric
8 ratepayers. Maine has not taken any action, as well as
9 Wisconsin. So, three out of the five examples are
10 supporting the notion that electric ratepayers should
11 be paying for fuel neutral programs.

12 Q. I have one follow-up question.

13 (Atty. Thunberg conferring with Mr.
14 Cunningham and Mr. Iqbal.)

15 MS. THUNBERG: I have no further
16 questions. Thank you very much.

17 CHAIRMAN IGNATIUS: Thank you.
18 Commissioner Harrington, questions?

19 CMSR. HARRINGTON: Yes. Good morning.

20 WITNESS STELTZER: Good morning.

21 CMSR. HARRINGTON: It's still morning.

22 There's kind of no real logical order to my questions, so
23 I'm going to be jumping around, as I wrote them down as
24 they popped into my head.

1 BY CMSR. HARRINGTON:

2 Q. I wanted to start out with a question on your testimony
3 on Page 2. This would be Exhibit 40, on the bottom of
4 Page 2. It says "PSNH" -- do you have that?

5 A. I do.

6 Q. "PSNH has mailed a direct marketing piece in 2008 that
7 resulted in a 4 percent response rate for people
8 interested in participating in the program. Despite
9 expanding the program to a larger pool of customers,
10 the percentage of customers that use electric heat and
11 are interested in participating in the program, remain
12 virtually the same." What exactly was this "larger
13 pool of customers" that the program was expanded to
14 include?

15 A. The "larger pool of customers" is referring to the
16 change of the program from the Home Energy Solutions
17 Program, where it was focused on electric only, or, you
18 know, for substantially electrically heated homes,
19 "high use" I believe is the definition, and that that
20 program was shifted to a fuel neutral Home Performance
21 with ENERGY STAR Program. By doing that, it offered it
22 to a larger pool of electric ratepayers who could
23 participate in the program.

24 Q. So, the "expanded program" is the one we're talking

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1 about today, the Home -- I don't remember what that
2 was, the Home Performance with ENERGY STAR Program, is
3 that what you're talking about in your testimony there?

4 A. In the testimony there, as far as "larger pool of
5 customers", --

6 Q. Yes.

7 A. -- yes, I'm referring to those customers that are
8 eligible for the fuel neutral Home Performance with
9 ENERGY STAR.

10 Q. So, that would have been expanded to people that heat
11 with oil, for example, what you're talking about there?

12 A. Yes, it has been.

13 Q. Okay. And, then, it gets me to maybe my more main
14 question, I realize that, by including people that heat
15 with other sources, other than electricity, you're
16 going to expand the eligible pool by a substantial
17 amount. But why do you think that it was only four
18 percent when people were -- when it was limited just to
19 electric heat users, which is a fairly expensive way to
20 heat your home, and then, when it was expanded to
21 include other forms of heating, which has been gotten
22 fairly expensive recently, due to larger prices in oil
23 and propane costs, why is it limited to four percent?
24 How come people aren't more jumping at the chance of

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1 this?

2 A. Well, I would say, I don't know if it's "limited", or
3 as far as what they realized, is that around
4 four percent of the customers that are participating in
5 the fuel neutral Home Performance with ENERGY STAR
6 Program are electric -- electrically heated homes.
7 What I was attempting to suggest there is that there
8 hasn't been any sort of negative impact to electrically
9 heated home ratepayers, because they can still freely
10 and openly participate in the program. I think it's
11 good that both the utilities and OCA have pointed out
12 that there is a greater interest to continue to solicit
13 that populous, to get them to participate greater in
14 the program. And, I would fully support additional
15 efforts to that.

16 Q. I guess what I'm trying to get clear is, though, when
17 the program was expanded to include people that heat
18 with something other than electricity, the
19 participation rate stayed at around four percent. Is
20 that what I can get from what your testimony says here
21 on the bottom of Page 2?

22 A. And, why is that?

23 Q. Yes. Is that correct, first? Let's start with that.

24 A. That is correct, to my knowledge of what they have done

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1 with -- the utilities have done with their survey. To
2 that, I'd comment that direct mail surveys or direct
3 mail methods of marketing tend to have very low
4 participation rates. So, it's not that it's that
5 uncommon. I certainly think what gets difficult with
6 this sector is that, since there are so few of them
7 available, and I tried to attempt to get to this in my
8 testimony, that larger marketing efforts, such as radio
9 ads, newspaper ads, social media efforts, are less
10 effective, because they're offering this program out to
11 a large group of people, but then constricting it to
12 who's available. And, it isn't as cost-effective then
13 to do these larger marketing efforts, if you can't
14 realize, if the folks you're marketing to, more than
15 90 percent of them probably can't even participate in
16 the program.

17 Q. But, under the Pilot Program, they could participate,
18 and the participation level was still low. So, are you
19 suggesting an alternative method of publicizing this
20 would be helpful?

21 A. I think it's going to be difficult to do those
22 alternative methods, given that the pool of
23 electrically heated homes is so small. And, so, it
24 wouldn't be effective to do a mass marketing campaign

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1 to gain participation.

2 Q. I understand what you're saying there. But, I guess,
3 under the present Pilot Program, we're spending
4 millions of dollars on non-electrically heated houses,
5 and yet you're saying the participation rate is still
6 very, very low. What would you recommend, if this
7 program were to go forward and be made permanent, what
8 would you recommend as a change to that method to
9 increase the participation? I mean, theoretically, I
10 guess we'd like to have a waiting list for people
11 signing up for this, rather than having the utilities
12 having to pound on people's doors to try to get them
13 interested.

14 A. I would just clarify, the 4 percent number there is
15 referring to electrically heated homes that are
16 participating. Not -- I don't know exactly what the
17 percentage is of electric ratepayers that are choosing
18 to participate in the Home Performance with ENERGY STAR
19 Program as a fuel neutral program.

20 Q. Okay. Just stop there, because that's where I'm
21 getting a little confused. At the bottom of your
22 testimony, it says "Despite expanding the program to a
23 larger pool of customers, the percentage of customers
24 that use electric heat and are interested in

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1 participating in the program, remains virtually the
2 same." What was "expanded to a larger pool of
3 customers" there? It was just -- I mean, we don't have
4 multiple categories of electric heat users, or that's
5 what I'm confused about.

6 A. It was -- the program was expanded to include homes
7 that heat with other fuel methods, such as wood,
8 kerosene, propane, oil. But I'm just making the
9 distinction, and I think it's a good question, which is
10 "how do you" -- "how can we increase the participation
11 rate of these programs and how to balance that against
12 how much funding is available?" That's a little -- am
13 I correct in understanding --

14 Q. Yes.

15 A. -- that that's where you're attempting --

16 Q. Yes.

17 A. -- to go, or have gone, and I'm just taking it a little
18 bit --

19 Q. All right. Well, that's good enough for that.

20 CHAIRMAN IGNATIUS: Before we go off
21 that, can I just be sure I followed, because I went a
22 couple different directions there?

23 CMSR. HARRINGTON: Yes.

24 BY CHAIRMAN IGNATIUS:

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1 Q. Is it correct that, under the HES Program, there was
2 about a 4 percent take rate from high energy, high
3 electric use customers, predominantly heating
4 customers, but it's really high electric use customers?

5 A. Correct. It's my understanding that, when PSNH sent
6 paraphernalia, a booklet, information out, requesting
7 those customers to participate in the Home Energy
8 Solutions Program, their response rate to that program
9 for interest was around 4 percent. I would imagine
10 that the number of people that participated in the
11 program might have even been less.

12 Q. All right. And, then, when we went to the HPWES
13 Program, that expanded it to include non-heat --
14 non-electric heat customers as well, the interest rate
15 from high electric use customers remained about
16 4 percent.

17 A. That was there, yes.

18 Q. But the interest rate on all people solicited may have
19 been something other than four percent. It's not that
20 4 percent is across-the-board for all people solicited.
21 It remained about 4 percent for the electric -- high
22 electric use customers, is that right?

23 A. That is correct.

24 CHAIRMAN IGNATIUS: Thank you.

1 BY CMSR. HARRINGTON:

2 Q. Okay. Let's see if we can change topics here. I just
3 wanted to confirm some of the questions I had asked
4 some of the other witnesses. Are you familiar with the
5 Forward Capacity Market in New England?

6 A. I am.

7 Q. Okay. And, you would agree that energy efficiency
8 savings dealing exclusively with electricity can be bid
9 into this market and receive revenues?

10 A. Yes. And, I am familiar that it's becoming
11 increasingly involved in the transmission planning for
12 the New England region.

13 Q. So that any System Benefit Charge funds that were used
14 for non-electric savings would not be eligible for
15 bidding into the Forward Capacity Market, is that
16 correct?

17 A. That is correct. And, I'm understanding that the tool
18 that ISO-New England has formulated and is going to be
19 updated, at least on an annual basis, can take into
20 account those fluctuations, based off of state policies
21 on how to utilize SBC funds.

22 Q. Right. But, again, it's only those funds that are used
23 for saving electricity, not for saving the use of, say,
24 home heating oil, that are eligible to make a bid into

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1 the Forward Capacity Market?

2 A. That is correct.

3 Q. And, then, also, on the transmission and the latest
4 Vermont/New Hampshire --

5 (Court reporter interruption.)

6 CMSR. HARRINGTON: Bob told me to talk
7 fast.

8 BY CMSR. HARRINGTON:

9 Q. The latest Ten Year Vermont/New Hampshire Needs
10 Assessment, that has estimated that around \$200 million
11 is going to be deferred or saved because of electric
12 energy efficiency measures. And, that any money that
13 was therefore used for non-electric energy efficiency
14 would not add to those savings. Is that correct?

15 A. That is what ISO-New England has proposed and planned.
16 And, OEP supports that, and thinks it's a good
17 direction. We do know that there are some concerns
18 within the transmission industry towards how to limit
19 that. But, yes.

20 Q. And, the initial part, I mean, I guess -- just getting
21 back to the very, very basic thing here. We call this
22 a "System Benefit Charge", which one would kind of
23 assume that it was supposed to benefit the system.
24 When this program was explained to legislatures, it was

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1 always explained with the idea that "the money being
2 spent was going to be able to reduce electric use, and,
3 therefore, that would lower or mitigate increases in
4 rates, because the cost of the electricity per
5 kilowatt-hour saved was going to be less than the cost
6 of generation of and transmission of that same
7 kilowatt-hour."

8 Yet, this seems to be a diversion from
9 that. And, now, we're saying that the money could be
10 used for saving people's fuel bills for oil, for
11 example, which will have absolutely no effect on
12 electric rates, and will have no effect -- or,
13 minimizing the fan costs, which we'll just say is
14 fairly negligible. But it will also not have any
15 "system benefit" as far as costs goes, in that saving
16 electricity, especially in times of peak demand, lowers
17 rates for everybody. Even lowering demand any time has
18 a somewhat downward effect on the price of electricity.
19 But having your neighbor use less oil has no affect on
20 what you pay for oil. So, it seems to be not going
21 along with the theory that it's a "system benefit".
22 What's the "system benefit" from spending this money on
23 having people reduce oil consumption?

24 A. Well, I should -- I wasn't around as the System

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1 Benefits Charge was being discussed in late
2 1990's/early 2000's. So, I don't know exactly
3 everything that was discussed there. I would say that
4 the question you're raising, as far as the societal
5 benefits, and that Commission has laid out as well,
6 it's an important question. No doubt about it. What I
7 think is important to note is that, to take it in
8 totality for the SBC funds, for residential and
9 commercial, and what is the adequate level of funding
10 that should go towards the "system benefits" for the
11 electric side, and I would suggest that it should be
12 substantial. And, I think that's what we are achieving
13 underneath the CORE Programs. That there are electric
14 energy savings when commercial gets added in as well
15 that is predominantly going towards that system
16 benefit.

17 But I also think that it's, since times
18 are changing, and consumers are being more and more
19 concerned about their bills, and they're looking at
20 solutions for reducing their energy bills, not just
21 electric bills, and I make the distinction between
22 rates and bills. And, that is loud and clear in our
23 office, that people would like further assistance.
24 And, I think there is an opportunity here for the

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1 System Benefits Charge programs to comply with the law
2 to create these market transformational programs, to
3 help incentivize and subsidize it early on, and then
4 wean those subsidies off as you get to maturity, when
5 it's no longer needed.

6 Q. Okay. And, speaking along those lines, you said that
7 "OEP would not support any type of an energy efficiency
8 surcharge" on, say, home heating oil or kerosene or
9 propane. If this is such a good idea, why not?

10 A. I think it's best to be utilized through the System
11 Benefits Charge through the electric ratepayers,
12 they're one in the same. We have methods in place
13 there. What we have heard loud and clear also, from
14 the SB 323 Study, is that consumers in New Hampshire
15 are confused with the program offerings that they have.
16 And, we need to do a better job to collaborate these
17 programs and make it easier for participants to take
18 advantage of these programs. I'm concerned that if,
19 and OEP is concerned, that if an Oil System Benefits
20 Charge is enacted, how would this new program, with new
21 funding streams, relate to the long-existing programs
22 that the utilities have been offering? And, I don't
23 see it being two separate programs to participate,
24 because then, again, a residential consumer is both an

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1 electric ratepayer, as well as an oil payer, and so
2 which program do they go to? And, that's what we're
3 seeing a lot here in New Hampshire. And, we need to
4 improve on that.

5 Q. So, I guess it would seem, though, that, if you're
6 saying this is such a good idea, why not put it on oil
7 and just dump it into the CORE Program and have it
8 administrated by the utilities, and that would be a
9 more equitable way of funding it, then, where everyone
10 would pay base on their energy use, not just their
11 electric use?

12 A. And, that has been a topic of conversation over the
13 past four years, since OEP released that Thermal
14 Renewable Energy Report, to look at some sort of a
15 thermal SBC. There's been little to no traction on
16 that type of a policy.

17 Q. When you say "traction", you're referring to in the
18 Legislature?

19 A. Correct. To my knowledge, such action would require
20 legislative action. And, there has been no bill
21 proposed to do that very essence. While the matter we
22 have here is certainly underneath the PUC's
23 jurisdiction on how to handle it, and I'm thankful to
24 have this opportunity to get clarification on it,

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1 because it has been bearing on us for three years.

2 Q. Okay. I guess "taxes" versus "fees", one flies a
3 little easier. Just a couple more questions. On --
4 let me see here. This is some of the questions I asked
5 before, and I'm just interested your opinion on this.
6 As far as, it appears that we are making a rather
7 quantum change here from the philosophy that it was
8 originally the System Benefit Charge would go to
9 benefit the system, i.e., the electric system, by
10 lowering rates for all or mitigating increases, so that
11 all people would benefit, not just those who receive
12 the ENERGY STAR appliance or the new light bulbs or
13 whatever.

14 Now, we're going to move this out. So,
15 I'm trying to figure, where would -- how far would you
16 move it out. And, I'll ask you the similar questions
17 that I asked Mr. Gelineau. If you were a net metering
18 customer, who actually had a zero electric bill, would
19 you still be eligible for this program?

20 A. I don't work for the utilities. And, so, I'll just add
21 that as a caveat to my comments.

22 Q. I'm just looking for philosophy.

23 A. But my understanding is that a customer who is net
24 metering, as they are tied to the meter, they -- yes,

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1 they would be able to participate in the program. It's
2 been the policy decision by the Legislature to
3 recognize the importance of renewable energy, and the
4 policy vehicle to support that development has been net
5 metering. But there could be -- certainly, there could
6 be other mechanisms that could be in place, so that
7 this concern isn't adding that -- such as a feed-in
8 tariff, for example. That would be an example where
9 the utility pays for a portion of the renewable energy,
10 but then that residential consumer still has to pay for
11 the System Benefits Charge. So, you know, it is a
12 policy decision on how to handle that. And, it's just
13 been the Legislature's policy to choose to handle
14 renewable energy within net metering.

15 Q. Well, I guess what I'm trying to get at is, is OEP's
16 philosophy as far as how they would limit, if they
17 would limit this at all? So, you would say, if
18 somebody was a net metering customer, that averaged
19 over the course of a year a zero electric bill, that
20 they would still be eligible for participation in this
21 to, say, save money on how much they burn -- oil they
22 burn through weatherization?

23 A. Yes. I think they would.

24 Q. I'm not asking "if they could", I'm asking if you think

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1 it's a good idea?

2 A. It's a difficult question to answer, recognizing that
3 you'd have to set up separate programmatic mechanisms
4 to administer such a program. I don't know whether
5 that would be burdensome to the utilities to handle.

6 Q. Excuse me. Maybe you don't understand my question, I'm
7 sorry. Maybe I'll see if I can make it a little bit
8 clearer. If, under the existing program, as Mr.
9 Gelineau stated, if I were a net metering customer, and
10 my bill for the year averaged zero, so I didn't pay for
11 any electricity over the course of a year, I would be
12 eligible for, under this Home Performance with ENERGY
13 STAR Program, to have subsidies on weatherizing my
14 house, so I could save money on my oil bill. Do you
15 think that's a good idea for someone that's paid zero
16 System Benefit Charge, to be able to receive money from
17 the System Benefit Charge to weatherize their house?

18 A. Yes. It's been the policy decisions of the State
19 Legislature to support renewable energy through net
20 metering, and that's the mechanism that they have
21 sought to assist that sector. So, yes.

22 Q. Okay. And, now, the question that I asked, again,
23 before, we know that landscaping can result in energy
24 savings, especially on air conditioning. Would you be

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1 in favor of expanding the use of the System Benefit
2 Charge to put bushes and trees in people's yards in
3 strategic locations?

4 A. I think a good assessment should be done of all
5 cost-effective measures for the programs, specifically,
6 a fuel neutral Home Performance with ENERGY STAR
7 Program. So, it should be factored in as an option to
8 look into. Whether it's actually done, is another
9 question. But I certainly think it should be looked
10 into.

11 Q. Okay. And, you mentioned a number of times the
12 "Climate Action Plan". And, just for clarification
13 purposes, that is not a law or statute, right? That's
14 just a plan, is that correct?

15 A. It is a plan that was participated in by a wide network
16 of stakeholders within the state to help direct the
17 state on where to go, yes.

18 Q. But it hasn't been codified by the Legislature?

19 A. It has not, no.

20 Q. Okay. And, going along with the Climate Action Plan,
21 having more efficient cars, would I assume we'd be in
22 compliance with that plan in that it would reduce air
23 pollution?

24 A. Yes. That's the multiwedge approach to combating

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1 climate change.

2 Q. So, in the idea of limits, would we continue to go
3 there, would you allow the System Benefit plan funds to
4 be given to people to help pay for the cost of tuning
5 up their cars, so they would use less gasoline and less
6 pollution?

7 A. No.

8 Q. So, where would you limit it to then? I mean, cars are
9 out, bushes are in. Where do you draw the line?

10 A. Based off of market conditions and what's available out
11 there. For example, you would have to structure a
12 whole brand-new program to do that. While what we're
13 looking at here is the fairness of using SBC funds to
14 meet market conditions that are out there for
15 weatherizing homes. The market does not have services
16 where energy auditors can supply solely electric
17 savings. It is offered in a comprehensive approach,
18 and is more cost-effective to do that. So, that's
19 where I would start to draw some of the lines about
20 what SBC funds should go towards.

21 It's certainly looking at the societal
22 benefit. And, I think that is, and I can't stress that
23 enough, I do think that is important to the overall
24 network of the program. The question is, "is, you

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1 know, Home Performance with ENERGY STAR tipping it over
2 the point of acceptability?" And, it's our position
3 that it is not.

4 Q. Okay. And, you mentioned "audits" a couple of times
5 now. When the audits are done under the-- for lack of
6 a better term, "non-Home Performance with ENERGY STAR
7 Program", before that Pilot Program came about, someone
8 was doing an audit, an energy audit of some, let's say,
9 look at a residence, are they limiting that just to
10 electric efficiency or would they also say that, you
11 know, "if you laid more insulation here" or "storm
12 windows there", or whatever, would that be included as
13 well or --

14 A. Yes, it would.

15 Q. Okay. So, it was included in the original audits.
16 Okay. And, a number of times people, previous
17 witnesses and yourself, have said this on numerous
18 occasions, about "not being cost-effective without
19 getting into the heating fuels, other than
20 electricity." And, again, I'll go back and I'll put on
21 my old hat at the Legislature. And, we were told, well
22 before anyone conceived of the idea of using the System
23 Benefit Charge to, you know, winterize people's houses,
24 that it was a very cost-effective program. In fact, it

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1 was -- that was the justification for the program, and
2 that was what we were told by the PUC, that it was --
3 costs so many cents per kilowatt-hour to save the
4 money, which was less than it would -- to save the
5 energy, which was less than it would take to produce
6 that amount of electricity. So, therefore, they had a
7 positive cost/benefit. Yet, now I keep hearing, from
8 Mr. Gelineau before, and now you, that that program
9 "isn't cost-effective" and can't be done. Is it we
10 just ran out of light bulbs to replace or what's -- why
11 has it become cost-effective -- where it was so
12 cost-effective in the past, and now it's not?

13 A. Yes. I don't think -- and sorry if I led to this
14 interpretation. I haven't done the assessment that the
15 utilities have to determine that the fuel -- the Home
16 Performance with ENERGY STAR Program needs to be fuel
17 neutral in order to be cost-effective to connect to
18 those electrical savings that are within buildings.

19 The concepts that I've had, from a
20 cost-effectiveness perspective, have been more on the
21 administration of a program on the marketing side.
22 And, that you can hit a larger audience through mass
23 marketing, and mass marketing becomes more
24 cost-effective if you have a larger pool, so you can

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1 increase that participation level.

2 Q. So, you're talking about, just because you increase the
3 amount of possible eligible people, therefore, from a
4 marketing point of view, it becomes more effective,
5 because you'll end up with, whatever the rate is, if
6 the pool is bigger, you're going to end up with more
7 hits?

8 A. You can be more effective at getting hits.

9 Q. But what you're not saying is that, under the non-Pilot
10 Program, that program is not cost-effective, in that it
11 continues to save more money in electricity or
12 continues to save electric usage at a rate lower than
13 the cost of producing the electricity?

14 A. I need to look at the numbers on that in order to make
15 a direct comment.

16 Q. Fair enough.

17 A. I would just say that, if SBC funds not be utilized for
18 a fuel neutral Home Performance with ENERGY STAR
19 Program, I think it's going to really jeopardize that
20 program to move forward. I don't -- I have some
21 caution towards putting money into a Home Energy
22 Solutions Electric-Only Program, because the pool is so
23 small, while it is focused on electricity, I just think
24 it's so small that you would need to look at other

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1 aspects of gaining the efficiency, gaining the energy
2 savings. And, is it greater LED lighting technology?
3 Has CFL come to maturity, so we don't need to be
4 offering a rebate on that? I think those are the
5 questions that need to be asked on, as we move forward
6 with these CORE Programs, is how can the dollars be
7 best utilized to not go towards free riders that are
8 going to be already purchasing these products? But how
9 can they go towards really transforming the market to
10 save more energy.

11 Q. Okay. And, do you have Exhibit 23, which is, I guess,
12 the CORE filing?

13 A. Unfortunately, I do not.

14 Q. And, just Page 25, which I think was circulated, wasn't
15 it?

16 CHAIRMAN IGNATIUS: Yes. That Page 24
17 and 25 that hasn't been marked as a separate exhibit, but
18 we've been using quite often. The "Program
19 Cost-Effectiveness Plan 2012" and the "Present Value
20 Benefits 2012 Plan".

21 CMSR. HARRINGTON: I guess he's got it
22 now.

23 WITNESS STELTZER: Sorry about that.
24 Yes. I have Page 24. That's titled --

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1 CMSR. HARRINGTON: Is there, I believe,
2 Page 25 on the other side?

3 WITNESS STELTZER: In one moment I will.
4 (Mr. Cunningham handing document to the
5 witness.)

6 WITNESS STELTZER: Thank you. Yes. I
7 have Page 24 and 25 in front of me.

8 BY CMSR. HARRINGTON:

9 Q. And, looking at, just under the recent "Residential
10 Programs", where it says "Home Performance with ENERGY
11 STAR", "Total Benefits", 5.8 million, the overwhelming
12 majority of that, a very, very high percentage is
13 attributed to non-electric resource savings, is that
14 correct?

15 A. That is correct.

16 Q. And, if I'm looking at this correctly as well, we have,
17 under "Home Energy Assistance", we have 4.1 million in
18 non-electric resource savings. And, under "ENERGY STAR
19 Appliances", we have 5.8 million. And, under
20 "Lighting", we have 800,000. So, that we're pushing
21 \$10 million in non-electric resource savings, if we
22 exclude the Home Performance with ENERGY STAR Program,
23 is that correct?

24 A. "Pushing \$10 million" --

[WITNESS: Steltzer]

1 Q. Well, if you add up the "4.109348", from Energy --
2 "Home Energy Assistance", and the Home -- the "ENERGY
3 STAR Homes", which is 5.885 million, I'm trying to --
4 I'm just trying to get a handle on those. Those are
5 non-electric savings, as well as the 847,000. So, it
6 appears that we have a very, if you exclude the "Home
7 Performance with ENERGY STAR" figure, we have around
8 \$10 million of non-electric resource savings from other
9 parts of the program, is that correct?

10 A. If you exclude the Home Performance with ENERGY STAR
11 Program?

12 Q. Yes.

13 A. Yes. It's around \$10 million, out of the total
14 benefits of 24 million.

15 Q. Okay. So, I guess what I'm trying to get is, without
16 this Home Performance with ENERGY STAR Program, we're
17 still spending somewhere in, I don't know, around 40
18 percent, or 10 million out of 24 million on
19 non-electric parts of the savings, is that correct?

20 A. On the residential side.

21 Q. Yes.

22 A. I think it's also important to look at commercial
23 savings, when making that assessment. And, so, the
24 total for the programs, both residential and

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1 commercial, is 50 million. And, so, about \$10 million
2 of that is -- 10 million of the benefits, excluding
3 Home Performance with ENERGY STAR, is going towards
4 non-electric savings, out of the total benefit of
5 50 million for the CORE Programs.

6 Q. Well, of course, we don't have a Low Income Energy
7 Assistance Program for businesses, so that would be --
8 and nor do we have an ENERGY STAR Business Program.
9 So, I think limiting it to the percentage of the
10 residential would probably be a little bit more
11 appropriate. But my point is, we have a substantial
12 amount of money that's already going to non-electric
13 savings, without the Pilot Program, \$10 million.

14 A. And, these are benefits, calculated benefits, as
15 opposed to dollars per expenditures.

16 Q. Yes. Okay. Well, perceived benefits. Okay. And,
17 going on that same line there, just if you could, where
18 it says "Home Performance with ENERGY STAR", "Total
19 Benefits", "Summer Generation", and then it says
20 "Winter Generation" and across. Those would be the
21 associated numbers that deal with, you know, having
22 your fan run less on your oil burner or pump less or
23 savings from air conditioning, is that -- that's where
24 those come from? I'm just trying to figure out.

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1 A. To be honest, I don't know.

2 Q. Okay. That's fair enough.

3 A. I would need to talk with the utilities about that, as
4 they derive these numbers.

5 Q. And, there's -- it seems as if, at least from my
6 experience has been, where you've talked about the low
7 participation rate for residents, but, on the
8 commercial/industrial side, I believe there's a waiting
9 list for people to get funding for various projects.
10 What do you think would happen if we were to transfer
11 some of the funding over to, under the existing
12 program, not the Home Performance with ENERGY STAR
13 Program, but one that would just save electricity use,
14 which would have a benefit to everybody, because, as we
15 discussed, with the Forward Capacity Market, the
16 transmission costs, and through lower locational
17 marginal pricing, would result in all customers having
18 the savings? What if we transferred some of this money
19 over to commercial and industrial? Would we not see a
20 larger savings that way, since there's a waiting list?

21 A. Well, there's two -- there's a couple different
22 thoughts to that. My first thought is, I don't think a
23 waiting list necessarily means that the program is
24 being run effectively. Ideally, you want, and we had

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1 this issue with the Home Performance with ENERGY STAR
2 Program initially, where there was a waiting list, and
3 people weren't able to participate in the program for a
4 good four or five months or so, and maybe even longer.
5 The start/stop nature that funding has toward these
6 types of programs is not what the market is needing, in
7 order to provide private capital to invest in to
8 providing these services. So, I'd just caution that a
9 wait list doesn't necessarily mean a good thing to a
10 program.

11 As far as shifting funds from the
12 residential sector to the commercial sector, I think
13 it's clear that the Commission in the past has deemed
14 those as classes. And, that you need to equitably be
15 cautious about distributing the funds based off of
16 class between commercial and residential. The
17 Commission has not taken a position as far as the
18 "intraclass" determination, on whether a residential
19 electric ratepayer is a separate class from a
20 residential electric ratepayer that has oil. And, so,
21 you should dictate the dollars for the residential
22 program based off of who's providing it within the
23 residential class. And, that would be helpful guidance
24 to have from the Commission. There hasn't been a

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1 precedence for doing that, but it would certainly be
2 helpful.

3 Q. So, you'd try to incorporate total energy uses, not
4 just electric usage and how you distribute the funding?

5 A. It's based off of how much that class is contributing.
6 So, yes, off of energy usage, electric energy usage.

7 Q. And, has there been any thought, and I'm just -- if you
8 think it would be, you know, if you would perform
9 anything, obviously, one of the other areas you could
10 do with this, where, instead of spending the 5,
11 whatever it is -- whatever we spend on the Home
12 Performance with ENERGY STAR, you could spend more
13 money on appliances and lighting rebates to increase
14 the rebates. And, I would assume, I don't know what
15 they exactly are now, but, if you made them from
16 20 percent to 40 percent, there would probably be a
17 higher level of participation. Has OEP given any
18 thought to going that approach, where you would still
19 get maybe the same amount of total energy savings, but
20 you'd be doing it on appliances and lighting, rather
21 than home heating?

22 A. We've given it a great deal of thought, as far as "how
23 can the Lighting -- ENERGY STAR Lighting Program and
24 ENERGY STAR Appliance Program really help to transform

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1 the marketplace in New Hampshire for energy
2 efficiency?" Recognizing and asking those tough
3 questions, "has the market matured enough that rebates
4 are not needed on CFL light bulbs anymore?" I think
5 there might be evidence that suggests that that has
6 occurred. And, so, just -- I think it's important to
7 note that, just because someone participates with an
8 ENERGY STAR -- getting a rebate from an ENERGY STAR
9 Lighting Program doesn't necessarily mean that that's
10 aiding in the transformation of the market. They're
11 participating in a program that they cannot have to buy
12 a light bulb as expensively, but they might have gone
13 out and purchased it on their own already. So, it's
14 really important, as we move forward with the CORE
15 Programs, to ask those questions. Likewise, on
16 Appliance: There's a very, very high infiltration rate
17 of ENERGY STAR appliances in New Hampshire as is. It's
18 going on 80 percent. And, so, should we be continuing
19 to offer incentives towards products that have such a
20 high infiltration rate within the market or could we be
21 looking at higher levels of ENERGY STAR qualification,
22 and incenting those products, recognizing that, you
23 know, people are, by and large, if you go to buy a
24 dishwasher, you know, eight out of ten is going to be

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1 ENERGY STAR as is. And, so, whether a rebate mechanism
2 is the most effective mechanism or should you do more
3 upscale marketing and looking at other opportunities.

4 So, I do think that those questions need
5 to be asked. And, I hope we can get into that this
6 fall, when we look at the CORE 2013 and '14 Programs?

7 CMSR. HARRINGTON: Okay. That's all I
8 had. Thank you very much. Your answers have been very
9 helpful.

10 CHAIRMAN IGNATIUS: Thank you.
11 Commissioner Scott.

12 CMSR. SCOTT: Good morning, at least for
13 the next two minutes.

14 WITNESS STELTZER: Good morning.

15 BY CMSR. SCOTT:

16 Q. Following on the last question you just answered, I'll
17 ask the question, but maybe a different way. Are you
18 aware of any untapped electric-only opportunities that
19 should be explored?

20 A. Well, the GDS Study certainly does identify that there
21 are some opportunities there, whether it's in motors
22 and devices, certainly lighting. I should note that
23 the GDS Study and Exhibit 45, which was passed out, and
24 there was a lot of discussion about this "14 percent"

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1 and the pie chart. Footnote Number 9 there notes that
2 this is not taking -- the measurements that they have
3 there is not taking into account any future energy code
4 changes, and this was issued in 2009. And, since then,
5 specifically this year, there has been adoption of
6 federal requirements on CFL light bulbs, which would
7 have a significant effect on reducing these estimates
8 that are noted here.

9 So, I do think there are additional
10 opportunities for electric energy savings that could
11 occur out there. And, we do need to be thinking
12 creatively on how we can capture those, and strike the
13 right balance, though, between the need of a
14 residential consumer who's paying energy bills and
15 getting assistance to transform that market, as well as
16 electric savings.

17 Q. And, to follow up on your comment on Exhibit 45. So,
18 you're reading Footnote 9 relative to that pie chart to
19 mean that the lighting, for single family and
20 multifamily, impacts are actually less than shown on
21 that pie chart?

22 A. Yes.

23 Q. So, the other impacts would be more?

24 A. Yes.

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1 Q. Okay. Thank you. That's helpful. Okay. Following up
2 on the first day of testimony, and you've kind of
3 alluded to it, that there was a concept that the "fuel
4 neutrality of a program", for instance, was my words,
5 not Mr. Gelineau's or anybody's else words, that was
6 kind of like the price of admission to get people to
7 participate, it drew people in. To the extent that
8 there's even a reduced electric benefit for this type
9 of a program, do you agree that, to the extent that we
10 do reduce electric peak demand, that there's a
11 multiplier effect, if you will, if you can get at those
12 electric reductions?

13 A. For peak reductions?

14 Q. Yes.

15 A. It depends when -- it depends on the correlation of the
16 measures that are being installed and how it relates to
17 peak load. Certainly, the current fuel neutral Home
18 Performance with ENERGY STAR Program, you talk a lot
19 about the ancillary savings. And, I do think that
20 there is a correlation to AC use and peak summer usage.
21 And, so, there would be some electrical benefits to the
22 -- created for that through those thermal efficiency
23 measures you're installing. When it gets to other more
24 direct electrical savings, such as installing light

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1 bulbs in a residence through the fuel neutral Home
2 Performance with ENERGY STAR Program, I'd need to think
3 about that a little bit more to determine whether there
4 is a strong correlation to peak demand, at least during
5 the summertime for a predominant number of the
6 utilities here that have that, that's when their peak
7 is occurring. Co-op is a little different.

8 Q. Would you agree, certainly, for air conditioning, for
9 instance, you would see a correlation?

10 A. Absolutely.

11 Q. Following the same line of thought, do you see a way
12 perhaps that a preference could be made with the
13 existing program for electric energy efficiency?

14 A. I think they're good. I think there's an opportunity
15 there to ensure that all electric high energy use --
16 high electric use customers can participate in the
17 program. And, I think that was one of my questions
18 that I was asking Mr. Gelineau, was I want to -- I
19 wanted to make sure that, you know, electrically heated
20 homes weren't being disadvantaged by the expansion of
21 this program. And, so, if other provisions would need
22 to be done to do that, I think that would be a good
23 direction to take.

24 Q. Also, on the first day of testimony, I understood that

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1 moving forward there would be some studies and data
2 made available on the ancillary electric impacts of a
3 fuel neutral program, such as the HPwES Program. Are
4 you aware of any existing data that we could look at?

5 A. I am not, only the data that's been presented by the
6 utilities. But I do think it is a worthwhile endeavor
7 to get to those estimates.

8 Q. And, you stated earlier that you're familiar with the
9 RGGI program?

10 A. I am.

11 Q. And, House Bill 1490?

12 A. I am.

13 Q. Okay. And, moving forward, once that law, assuming the
14 law is implemented, you're aware that RGGI funds will
15 be required to go to the CORE Program?

16 A. I am.

17 Q. And, does you or your office have an opinion on the
18 fuel neutrality for these funds?

19 A. Yes, we do. We believe they should continue to be a
20 fuel neutral funding mechanism. I would -- our
21 caution, and that I mentioned earlier, about RGGI funds
22 being used to fill this void, and potentially be a
23 solution here, is that we'd really look to have the
24 RGGI funds be used to develop new innovative, creative

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1 mechanisms to achieve greater greenhouse gas emissions
2 reductions and energy savings, not be used to go
3 towards programs that are established programs. This
4 is a Home Performance with ENERGY STAR Program, you
5 know, we've had for three years. And, so, we'd like to
6 see those RGGI funds go towards greater enhancement
7 opportunities.

8 What about some of other, maybe it's not
9 directly related to the offerings of the existing CORE
10 Programs, but other funding could be utilized, and
11 there could be a grant process for a central portal for
12 residential users, like My Energy Plan, and, rather
13 than it being offered through the Public Utilities
14 Commission through the process that had happened, it
15 could offered through the electric utilities. Not
16 suggesting that that's the direction to go, but I'm
17 just offering that. A good conversation does need to
18 be had about how to effectively expand the CORE
19 Programs with RGGI funds, not to just put it into
20 tried-and-true methods that we have been doing for some
21 time.

22 Q. Thank you. And, lastly, you mentioned earlier that
23 "customers seem to be confused regarding the existing
24 programs". Can you elaborate on that? Are you

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1 implying that customers see -- are already assuming all
2 the monies are fuel blind, is that -- I'm just curious
3 if you could elaborate so I understood what you were
4 referring to.

5 A. I think a good example is with the BetterBuildings
6 Program. Customers up in -- in Berlin, which is
7 underneath PSNH's umbrella -- service territory, they
8 essentially have two different residential programs
9 they can participate in. At least this has been the
10 case until recently, where there is now more use by
11 collaborative methods to make it easier to participate.
12 But, at the time, they could participate in
13 BetterBuildings Program. If they weren't -- didn't
14 meet the heating index, and the rebates that they could
15 receive is -- it varies, depending on how much energy
16 savings they had achieved; 15 percent, 20 percent, or I
17 think it's 25, 30 percent. The most that they could
18 reach is about \$1,000, as far as a rebate goes, while
19 the other portions of it was paid for through credit
20 enhancement programs with local community banks, and,
21 in particular, up there there's one credit union that's
22 been very strong.

23 Conversely, they could, if they did --
24 were eligible, they could participate in the Home

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1 Performance with ENERGY STAR Program, if they met their
2 threshold. So, the Staff for CDFA is needing to walk
3 them through these different separate programs based
4 off of their energy use. And, it's not -- it wasn't a
5 seamless experience, where they could just go and get
6 funding, and get the rebates, and the rebates was
7 standardized. And, so, it just added a lot of
8 confusion.

9 Then, as far as the lending goes, that's
10 different requirements as well. You know, we, through
11 BetterBuildings Program, buy down the loan to one
12 percent, versus on-bill financing, as it's available by
13 the utilities, is offered at 0 percent financing, up to
14 \$7,500 -- up to \$7,500. And, so, that's why we've been
15 working very closely for some time now with the
16 utilities to see how better BetterBuildings can
17 collaborate with the utility programs in having a
18 singular program to make it easier for consumers.

19 I mentioned in my testimony, too,
20 there's a Driving Demand Report that was issued out by
21 Lawrence Berkeley National Lab. The primary
22 recommendation that they have out of that is to make
23 these programs simple for people to participate.
24 There's so many -- there's so many issues and ideas

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1 that are on people's minds of what's going on in their
2 life, between getting kids to soccer practice, between
3 "am I going to have a job?", between paying my car
4 bill. To make it complex to participate in an energy
5 savings program will be a market barrier from the
6 experience that I have. And, so, we really need to be
7 working to solidify that and make it easier for them to
8 participate.

9 CMSR. SCOTT: Thank you.

10 CHAIRMAN IGNATIUS: Thank you. I have
11 no questions. Normally, we would turn to your counsel for
12 redirect. And, --

13 MR. EATON: I do have some questions.

14 CHAIRMAN IGNATIUS: I think, first,
15 Mr. Steltzer, is there anything that you feel got lost
16 track or confused and you wanted to go back to to clarify?
17 Please, this is not a request to restate your testimony.
18 But if there's the sort of thing that your attorney would
19 normally do to, on redirect, to correct anything that you
20 felt you didn't get to adequately explain, I'll give you
21 that opportunity.

22 **BY THE WITNESS:**

23 A. Well, I would just, there is one piece, and I
24 highlighted it a little bit, and it's regarding the

[WITNESS: Steltzer]

1 RGGI funds. And, there was a question that was asked
2 by Staff about whether it would -- utilizing RGGI funds
3 would help to dismiss this issue that's currently going
4 on between the different parties, and I had said "yes".

5 And, in rethinking that a little bit
6 more, I would add a little bit more hesitance towards
7 it, for some of the reasons that I mentioned. How
8 there's kind of two different issues here. You know,
9 one is "whether it's fair to use System Benefits
10 Charge?" And, then, another method is, is "how do you
11 fund the program going forward?" And, so, I think you
12 need to answer this one first on System Benefits
13 Charge, before you start thinking about the funding
14 mechanism.

15 Also, as I mentioned, RGGI funds are
16 paid for through electric ratepayers, it's just a
17 different mechanism, but they are still being paid for.
18 And, so, which is the appropriate place to be utilizing
19 for the program? It's a good question to ask, and I
20 think worth being included in the Commission's order.

21 CHAIRMAN IGNATIUS: All right. Thank
22 you. With that, you are excused. Thank you very much.
23 It's been a long morning for you. We're going to take a
24 lunch break. And, it's about 12:15 now. Let's see if we

[WITNESS: Eckberg]

1 can reconvene at 1:15. And, next up will be Mr. Eckberg,
2 is that correct?

3 MS. HOLLENBERG: Yes.

4 CHAIRMAN IGNATIUS: Thank you.

5 (Whereupon a lunch recess was taken at
6 12:13 p.m. and the hearing reconvened at
7 1:20 p.m.)

8 CHAIRMAN IGNATIUS: Good afternoon. We
9 will resume. And, I understand Mr. Eckberg is next up.
10 Is there anything to take up before he begins testimony?

11 (No verbal response)

12 CHAIRMAN IGNATIUS: Seeing nothing, Mr.
13 Eckberg.

14 (Whereupon **Stephen R. Eckberg** was duly
15 sworn by the Court Reporter.)

16 **STEPHEN R. ECKBERG, SWORN**

17 **DIRECT EXAMINATION**

18 BY MS. HOLLENBERG:

19 Q. Good afternoon, Mr. Eckberg. Could up please state
20 your full name for the record.

21 A. My name is Stephen R. Eckberg.

22 Q. And, what is your position?

23 A. I'm a Utility Analyst with the Office of Consumer
24 Advocate.

[WITNESS: Eckberg]

1 Q. And, in your capacity as a Utility Analyst at the OCA,
2 did you file testimony on or about March 23rd, 2012?

3 A. Yes, I did. I believe it was actually on March 23rd.

4 Q. And, do you have a copy of that testimony before you?

5 A. I do.

6 Q. And, was it prepared by you or under your direction?

7 A. Yes, it was.

8 Q. And, do you have any corrections to make to that
9 testimony today?

10 A. No, I do not.

11 MS. HOLLENBERG: Thank you. I'd like to
12 have this marked as the next exhibit, which I believe
13 would be "Exhibit 46".

14 MS. HOWARD-PIKE: Forty-seven.

15 MS. HOLLENBERG: Forty-seven, for
16 identification please.

17 CHAIRMAN IGNATIUS: So marked.

18 (The document, as described, was
19 herewith marked as **Exhibit 47** for
20 identification.)

21 MS. HOLLENBERG: Thank you.

22 BY MS. HOLLENBERG:

23 Q. And, Mr. Eckberg, did you also file rebuttal testimony
24 on May 4th, 2012 in this docket?

[WITNESS: Eckberg]

1 A. Yes, I did.

2 Q. And, is that testimony before you?

3 A. Yes. I have a copy of it with me.

4 Q. Did you prepare this or was it prepared under your
5 direction?

6 A. Yes, it was.

7 Q. And, do you have any corrections to make to this
8 testimony?

9 A. Yes. In reviewing my rebuttal testimony, I noticed one
10 error. On Page 3 of my testimony, at Line 1, I stated
11 that "Response to PSNH 5-3 is included as" --

12 CMSR. HARRINGTON: Excuse me. Which one
13 are you in?

14 WITNESS ECKBERG: Excuse me?

15 CMSR. HARRINGTON: Are you in the
16 rebuttal or the original? Which date?

17 WITNESS ECKBERG: Yes, Commissioner.
18 I'm in the rebuttal testimony.

19 CMSR. HARRINGTON: Thank you.

20 WITNESS ECKBERG: Which is "Exhibit 48",
21 is that correct?

22 MS. HOLLENBERG: It will be. If I could
23 ask that that be marked for identification please. Thank
24 you.

[WITNESS: Eckberg]

1 WITNESS ECKBERG: Will shortly be.

2 CHAIRMAN IGNATIUS: That's fine. We'll
3 mark that as "48" for identification.

4 (The document, as described, was
5 herewith marked as **Exhibit 48** for
6 identification.)

7 **BY THE WITNESS:**

8 A. So, I'm at the top line of Page 3, where I state that
9 "Response to PSNH 5-3 is included as Attachment SRE-1."
10 And, if you page forward through my testimony,
11 Attachment SRE-1, I inadvertently attached Staff's
12 response to PSNH 5-4, rather than 5-3. So, that's the
13 error. It's not a substantive error in my testimony.
14 It's just I attached the wrong data response.

15 MS. HOLLENBERG: Thank you.

16 Commissioners, I did pre-distribute the correct
17 attachment. And, I gave it to you. And, I would just ask
18 your preference. We could either mark it as a separate
19 exhibit today or we could file a new conformed copy, with
20 the correct attachment in it?

21 CHAIRMAN IGNATIUS: Well, I think we
22 don't want submission of whole packets of papers again,
23 when we all have them. I think, are you asking to remove
24 5-4, and substitute it with 5-3 that you just distributed?

[WITNESS: Eckberg]

1 MS. HOLLENBERG: Yes.

2 CHAIRMAN IGNATIUS: I think, if that's,
3 unless there's any objection from anyone to doing that, I
4 think that's the cleanest, then we don't have to resubmit
5 anything. Is there any problem with having 5-4 coming
6 out?

7 MR. EATON: No.

8 CHAIRMAN IGNATIUS: And insert 5-3, that
9 was the one that was referenced in the text?

10 (No verbal response)

11 CHAIRMAN IGNATIUS: All right. Let's do
12 that then.

13 BY MS. HOLLENBERG:

14 Q. Mr. Eckberg, are your statements of your experience and
15 qualifications included in your testimony?

16 A. They are included as an attachment to my direct
17 testimony, Exhibit 47. I did not include them with
18 Exhibit 48, my rebuttal testimony. It seemed redundant
19 at the time.

20 MS. HOLLENBERG: Thank you.

21 Commissioners, would you care to have Mr. Eckberg
22 summarize his testimony or would you care to just proceed
23 right into cross-examination?

24 CHAIRMAN IGNATIUS: I think we're okay

[WITNESS: Eckberg]

1 with going straight to the cross-examination. Thank you.

2 MS. HOLLENBERG: Okay. Then, the
3 witness is available for cross. Thank you.

4 CHAIRMAN IGNATIUS: Then, I think we'd
5 turn first to Mr. Eaton?

6 MR. EATON: No questions. Thank you.

7 CHAIRMAN IGNATIUS: Ms. Goldwasser?

8 MS. GOLDWASSER: Thank you. Good
9 afternoon, Mr. Eckberg.

10 WITNESS ECKBERG: Good afternoon.

11 **CROSS-EXAMINATION**

12 BY MS. GOLDWASSER:

13 Q. You indicate in your testimony that you have long been
14 an energy efficiency professional. During the last --
15 over the last decade, has your work responsibilities
16 included provision of energy efficiency services to the
17 residential sector?

18 A. They have. In my capacity as the Statewide Director of
19 the DOE-funded Weatherization Assistance Program, when
20 I worked for the Governor's Office of Energy &
21 Community Services, I was a Certified Energy Auditor
22 and visited homes. So, I think that means a "yes" to
23 your response.

24 Q. And, also, when you worked for the Belknap-Merrimack

[WITNESS: Eckberg]

1 Community Action Agency, is that what you were just
2 referencing?

3 A. No. I was referencing my tenure at the Office of
4 Energy & Community Services, which is now the Office of
5 Energy & Planning.

6 Q. And, then --

7 A. During my tenure --

8 Q. Go ahead.

9 A. -- at Belknap-Merrimack Community Action, I was the
10 Statewide Director of the Electric Assistance Program,
11 which is also funded by the Systems Benefit Charge. It
12 provides -- it's a program which provides discounted
13 electric bills to income-eligible households.

14 Q. And, in your position with the Office of Consumer
15 Advocate, have you participated in the CORE Programs
16 and in the development of residential energy efficiency
17 programs, the other CORE docket?

18 A. Yes, I have.

19 Q. Have your responsibilities included working with energy
20 efficiency professionals, including auditors and
21 contractors?

22 A. I have been -- I have had the opportunity to engage
23 with auditors and contractors. It's not too
24 frequently, though. It's not a major opportunity.

[WITNESS: Eckberg]

1 Mostly, I've been engaged in dockets before the
2 Commission, which, you know, contact -- puts me in
3 contact with the program administrators, and their
4 field staff, their field personnel, who attend
5 stakeholder meetings here at the Commission.

6 Q. In your prior lives at the Governor's Office and at the
7 Community Action Agency, did you have the opportunity
8 to work with auditors and contractors and other
9 professionals in the residential energy efficiency
10 market?

11 A. Yes, I did. And, in my normal, every day,
12 non-professional life here at work, I know people who
13 are in that line of work. So, I do occasionally have
14 conversations about that.

15 (Atty. Goldwasser distributing
16 documents.)

17 BY MS. GOLDWASSER:

18 Q. Mr. Eckberg, I'm going to start here with what I
19 believe was handed out at the most recent CORE
20 quarterly meeting. And, it's the "2011 Quarterly
21 Report", which includes data from our most recently
22 completed year, January through December 31st, 2011.
23 Is that correct?

24 A. Yes, it is. I would say this looks to be a portion of

[WITNESS: Eckberg]

1 the Quarterly Report. It's usually -- there's a lot
2 more pages included. There's a lot of pie charts, and
3 things like that. But this looks to be several pages
4 from that year-end Quarterly Report, yes.

5 As a matter of fact, at the bottom of --
6 the bottom right corner, one can see "Page 1 of 47".
7 So, I think that confirms my comment about the
8 voluminous nature of that report, yes.

9 Q. And, we're trying not to provide the Commissioners with
10 more volume than absolutely necessary here. So, we've
11 just provided the first three pages of that report,
12 which was handed out to all of the CORE stakeholders
13 who attended that quarterly meeting, correct?

14 A. Yes. And, not only handed out, I think it's emailed to
15 the regular participants or the stakeholders, which is
16 probably a bigger list of emails than just official
17 docket participants as well, yes.

18 MS. GOLDWASSER: Madam Chair, I ask that
19 this document be marked for identification as "Exhibit
20 49"?

21 CHAIRMAN IGNATIUS: So marked.
22 (The document, as described, was
23 herewith marked as **Exhibit 49** for
24 identification.)

[WITNESS: Eckberg]

1 BY MS. GOLDWASSER:

2 Q. Now, Mr. Eckberg, if you turn to Page 3 of Exhibit 49.

3 A. I'm there.

4 Q. What does this page show?

5 A. This page shows the budget goals and the actual
6 accomplishments, expenditures and energy saving
7 accomplishments through the end of the program year,
8 December 31st, 2011, for the Home Performance with
9 ENERGY STAR Program. The title is in the relatively
10 small font in the gray bar at the top of that chart, in
11 the top left corner.

12 Q. And, if you look down the rows, the first one is
13 "Program Expenses", the second is "Program
14 Participation", the third is "Program Savings (Lifetime
15 kilowatt-hours)", correct?

16 A. Yes, it is.

17 Q. And, the fourth is "Program Savings (Lifetime MMBtu
18 savings)", is that correct?

19 A. That is correct.

20 Q. And, have you reviewed this docket before?

21 A. Yes. I have seen this document before. And, I've had
22 the occasion to crunch a few numbers, in my -- as is my
23 analytic nature, yes.

24 Q. And, have you compared the percentage, for PSNH and

[WITNESS: Eckberg]

1 Unitil, leaving aside National Grid and the New
2 Hampshire Electric Co-op, have you considered the
3 percentage of savings associated with electric savings
4 and associated with non-electric savings for the Home
5 Performance with ENERGY STAR Program in 2011?

6 A. Yes. I did take the opportunity a little while ago, I
7 mean, recently, relatively recently, to do a
8 calculation to see what the kWh lifetime savings was as
9 a percent of total energy savings for the program,
10 because that's been an issue of some conversation and
11 concern in this docket.

12 MS. GOLDWASSER: Now, madam Chair, I can
13 walk Mr. Eckberg through the analysis. It requires
14 converting MMBtus to kilowatt-hours and other sorts of
15 math, if you'd like me to, or I can cut to the chase?

16 CHAIRMAN IGNATIUS: Why don't you first
17 address what the conclusions are. And, if there are
18 questions -- one moment.

19 (Chairman and Commissioners conferring.)

20 CHAIRMAN IGNATIUS: All right. I think,
21 unless we find ourselves confused by some of it, why don't
22 you go straight to what the analysis shows, without the
23 mathematical conversion.

24 MS. GOLDWASSER: We can stop and go

[WITNESS: Eckberg]

1 back. I asked Mr. Eckberg to do this, so that he wouldn't
2 be put on the spot with his calculator in advance. I'm
3 just trying to save the Commission some time. But, if we
4 need to go back, we can.

5 BY MS. GOLDWASSER:

6 Q. So, Mr. Eckberg, can you just briefly explain how you
7 got -- what conclusion you drew from these numbers, and
8 how you got there, without getting into the
9 calculations?

10 A. You really don't want me to get into the calculations,
11 because that's the part I love? Okay. Okay. One can
12 convert the lifetime MMBtu savings, in the bottom
13 section, into equivalent kWh savings. And, then,
14 combine those equivalent kWh savings with the actual
15 kWh savings in the next bottom section, and then
16 combine those. And, as a percentage, I think maybe the
17 important point to make here would be that the lifetime
18 kWh savings for PSNH, combined with Unitil, for their
19 Home Performance with ENERGY STAR Programs, is about
20 8 percent of the total program savings. And, when I
21 say "total program savings", again, I mean I've
22 converted the MMBtu savings, and combined them with the
23 kWh savings. And, this is a calculation that's similar
24 to one that Staff presented in their testimony. So,

[WITNESS: Eckberg]

1 that was the purpose of my doing a similar calculation
2 with these numbers.

3 Q. And, so, the numbers we have been talking about, I
4 believe it's Exhibit 24, are proposed numbers. The
5 numbers that you're referencing in Exhibit 49 are the
6 actual savings from 2011, is that correct?

7 A. I'm not sure I have Exhibit 24 with me. So, I just
8 want to make sure that, if I'm doing --

9 (Atty. Goldwasser handing document to
10 the witness.)

11 WITNESS ECKBERG: Okay. This is the --
12 all right. Yes.

13 CHAIRMAN IGNATIUS: For clarity, this is
14 a portion of Exhibit 23 of two pages, Pages 24 and 25?

15 MS. GOLDWASSER: I apologize. Yes. The
16 two pages of Exhibit 23. Excuse me.

17 WITNESS ECKBERG: Right. And, so, this
18 Exhibit 24, which is part of Exhibit 23, shows the 2012
19 plan, including the costs and the planned energy savings,
20 for each of the programs in the residential program
21 portfolio, as well as the commercial/industrial portfolio.
22 And, then, as you stated, I would agree with you that
23 Exhibit 49, which I've just described the calculation that
24 I did, this is using actual energy savings, as reported by

[WITNESS: Eckberg]

1 the utilities, for Program Year 2011.

2 MS. GOLDWASSER: Thank you.

3 CHAIRMAN IGNATIUS: Can I be sure I
4 followed the math we weren't going to talk about?

5 MS. GOLDWASSER: Darn!

6 BY CHAIRMAN IGNATIUS:

7 Q. You took -- I'm going to give rough numbers. The
8 9.9 million lifetime kilowatt-hour savings from that
9 third column, correct, or row?

10 A. The actual kWh savings, --

11 Q. Right.

12 A. -- if you add the PSNH number and the Unitil number
13 together, you get just about 9 million.

14 Q. Oh, I'm sorry. That's right. You excluded the first
15 two. So, the total of those, 5 million, roughly, kWh
16 lifetime savings?

17 A. No. I used the "actual" column, Commissioner. Which
18 is --

19 Q. Oh, you said that twice. I'm sorry.

20 A. Yes.

21 Q. Okay. So, about 9 million?

22 A. About 9 million, yes.

23 Q. And, then, you added that to what the equivalent
24 savings would be for PSNH and Unitil from oil, natural

[WITNESS: Eckberg]

1 gas, kerosene, etcetera?

2 A. Right. So, --

3 Q. And, you did a conversion to be able to put them in
4 common units?

5 A. Correct.

6 Q. And, the result is?

7 A. The result, then, I divided the actual kWh savings,
8 divided that by the grand total, to see that about
9 8 percent of the savings was due to electric measures.
10 They are in that third section of the "lifetime kWh"
11 section.

12 Q. And, so, the restated total of the program savings for
13 the non-electric portion, without giving us all the
14 numbers, what is the -- for Unitil and PSNH together,
15 rather than 358,000 MMBtu, what is the kWh equivalent
16 you were using?

17 A. I'm sorry. I was looking at my calculations. You
18 wanted to know what the converted total of the MMBtu
19 savings was?

20 Q. Yes. So, that we can just see it, that number that's
21 then added to the 9 million in the section above.

22 A. Well, if you'll bear with me a moment here, while I
23 punch in a few numbers here. This is, I believe, the
24 part that Attorney Goldwasser didn't want to get into

[WITNESS: Eckberg]

1 here, because she knew it might be a little cumbersome.

2 MS. GOLDWASSER: Well, --

3 **BY THE WITNESS:**

4 A. I believe that the converted total from the MMBtu
5 savings, if I converted those to equivalent kWh
6 savings, would be about 113 million.

7 BY CHAIRMAN IGNATIUS:

8 Q. And, that's taking just PSNH and Unitil, or including
9 the Co-op as well?

10 A. That's just taking PSNH and Unitil.

11 Q. Thank you.

12 A. So, I've added the "314,781" with the "39,566", and
13 then converted it into kWhs.

14 Q. And, then, you added the 9 million from above?

15 A. To that.

16 Q. And, your --

17 A. Used that as the denominator in the calculation, to
18 figure out --

19 Q. Right. So, you've got about 122 million, roughly?

20 A. Yes.

21 Q. As the denominator, and then you compared 9 million out
22 of 122 million, to get your 8 percent?

23 A. Yes.

24 CHAIRMAN IGNATIUS: All right. Thank

1 you.

2 BY CMSR. HARRINGTON:

3 Q. Just a quick, to make sure I understand what you're
4 saying in that. So that, of the total energy savings
5 under -- is this all of the CORE Program?

6 A. No, this is just --

7 Q. Or, just the New Hampshire Performance with --

8 A. This is just the Home Performance with ENERGY STAR
9 Program.

10 Q. Okay. So --

11 A. Yes. Just one program.

12 Q. So, 8 percent of that went to electrical savings, and
13 then 92 percent went to some type of thermal savings?

14 A. That's correct. For those two utilities, PSNH and
15 Unitil combined.

16 Q. And, the thermal -- or, the electric savings, did that
17 include those -- I guess what I'm trying to say, is
18 that limited to appliances and lighting or did it also
19 include those sort of, you know, sidelight things you
20 can get, you know, we talked about like from having
21 your furnace fan run less or maybe your air conditioner
22 runs a little bit less, because of the insulation and
23 so forth?

24 A. I believe that, my understanding, based upon the way

[WITNESS: Eckberg]

1 that the current savings are quantified and included
2 here, that these numbers would not include what we've
3 discussed, "ancillary" savings.

4 Q. Okay.

5 A. Now, I'd be happy to take a confirmation from that from
6 the program administrators themselves? And, I did just
7 get a brief "thumbs-up" there, indicating I had the
8 correct answer, I believe.

9 CMSR. HARRINGTON: Thank you.

10 WITNESS ECKBERG: Okay.

11 MS. GOLDWASSER: Do you have any other
12 questions about the calculation?

13 CHAIRMAN IGNATIUS: I hope not.

14 (Laughter.)

15 MS. GOLDWASSER: Me, too. Okay.

16 BY MS. GOLDWASSER:

17 Q. Mr. Eckberg, did you participate -- did the Office of
18 Consumer Advocate, excuse me, participate in Docket
19 08-120?

20 A. Yes. I'm sure we did.

21 Q. And, is your understanding that, in that docket, the
22 Commission approved the Pilot Home Performance with
23 ENERGY STAR Program, that is currently being undertaken
24 by Unitil and Public Service of New Hampshire?

[WITNESS: Eckberg]

1 A. It was in that Docket 08-120 that the Companies first
2 proposed the fuel neutral pilot, yes. I believe that
3 the program that is the pilot version of the program
4 might be slightly different at the moment than it was
5 as proposed at that time.

6 (Atty. Goldwasser distributing
7 documents.)

8 BY MS. GOLDWASSER:

9 Q. What I've just handed out is a record request from
10 December 2008, which was provided by Public Service of
11 New Hampshire to the Commission, in the context of its
12 consideration of whether a Pilot Home Performance with
13 ENERGY STAR Program ought to be permitted to go
14 forward. Do you see that what I've handed you is a
15 double-sided sheet, "Record Request HD-01", in Docket
16 08-120?

17 A. Yes, I see that.

18 MS. GOLDWASSER: Chairman, I ask that
19 this be marked as an exhibit?

20 CHAIRMAN IGNATIUS: And, this has just
21 been distributed to everyone?

22 MS. GOLDWASSER: Yes.

23 CHAIRMAN IGNATIUS: All right. Since
24 this is not discovery as part of this docket, it's not

[WITNESS: Eckberg]

1 automatic that people would have it. But we will mark it
2 for identification as "Exhibit 50".

3 (The document, as described, was
4 herewith marked as **Exhibit 50** for
5 identification.)

6 MS. GOLDWASSER: I will note that it was
7 in the CORE -- it was in the context of a CORE proceeding
8 -- of an earlier CORE proceeding, which is at issue in
9 this docket. Because, in Docket 08-120, the Commission
10 initiated this Pilot Program. And, in the order which
11 resulted in this hearing that we're in right now, the
12 Commission cited to that docket and cited to its rulings
13 in that docket. So, that's why I believe it's relevant
14 here. And, it's relevant for a very, very simple purpose.

15 BY MS. GOLDWASSER:

16 Q. If you turn to Page 2, Mr. Eckberg, you can see that
17 Public Service of New Hampshire indicated -- estimated
18 what it thought the electric savings as a percentage of
19 total would be for this proposed new program. Do you
20 see -- do you see that on the chart on the second page?

21 A. Yes, I do. The first portion of the table shows
22 "Electric Measure Savings" planned, and the second
23 portion or the right-hand portion, or about two-thirds
24 of the table, shows "Non-Electric [planned] Measure

1 Savings".

2 Q. And, what are those numbers?

3 A. Roughly, the electric savings, as a percent of the
4 total, appear to be about 7 percent, and the
5 non-electric savings, as a percent of total, would be
6 about 93 percent.

7 Q. So, the percentage of electric savings that PSNH
8 presented to the Commission in 2008, basically comports
9 with the actual savings last year, with respect to the
10 percent electric?

11 A. I'd say they're very close, yes.

12 Q. Mr. Eckberg, do you have a copy of Staff's direct
13 testimony, which is, I believe, "Exhibit 35", before
14 you?

15 A. Staff's direct testimony, Exhibit 35. Yes, I have a
16 copy of that.

17 Q. I'm going to ask that you turn to Page 33.

18 A. Page what?

19 Q. Thirty-three.

20 A. I'm there.

21 Q. Now that I've asked you to turn there, I'm going to
22 make an assertion about your rebuttal testimony. So,
23 if you need to turn back to that, I apologize in
24 advance. But, in your rebuttal testimony, you assert

[WITNESS: Eckberg]

1 that Staff's testimony regarding fairness is not
2 properly before this Commission. Can you explain the
3 OCA's position? It's at Page 7, at Line 4 through 10.

4 A. Okay. I'm a little -- maybe you could guide me a
5 little here, I'm a little confused. First, you pointed
6 me to Exhibit --

7 Q. I did. I pointed you to the wrong place first.

8 A. Okay. Okay.

9 Q. Yes. So, that's my fault.

10 A. No, that's fine. I just was -- I thought perhaps I was
11 being asked to draw a connection between these two
12 things. Okay. And, I'm sorry, then you pointed me to
13 my rebuttal testimony?

14 Q. Yes. You know what, let's starts over.

15 A. Okay.

16 Q. Okay. Go to Page 33 of Staff's testimony.

17 A. I'm there.

18 Q. Okay. Excellent. Let's move on. Preliminarily, can
19 you give a brief summary of what you understand
20 Schedule 1, which is on Page 33 of Staff's direct
21 testimony, stands for?

22 A. Well, as I understand it, the Schedule 1 of Staff's
23 direct testimony here, which is Page 33, uses some
24 data, some estimations. We've certainly heard some

[WITNESS: Eckberg]

1 testimony about whether some of the numbers that are
2 used here ought to be different. But this table does a
3 calculation that demonstrates and compares the
4 percentage of "Total Energy Usage" and "Total Usage
5 Subject to Energy Efficiency Charges" to the -- to a
6 "Summary of Savings based upon PSNH's filing". So, it
7 seeks to compare, I guess, the contribution in energy
8 efficiency charges with the proportion of savings that
9 are realized for two groups of customers, which Staff
10 has described in their testimony, their "Group 1"
11 customers and "Group 2" customers. The "Group 1"
12 customers, they described as customers who pay an
13 energy efficiency charge on all of their energy they
14 consume. So, that group is comprised of electric heat
15 customers, as well as natural gas customers, who I
16 believe the simplifying assumption was all natural gas
17 customers, just for the sake of simplification, because
18 there's very few natural gas customers who don't heat
19 with natural gas. So, Group 1 includes electric heat
20 customers and natural gas customers. "Group 2" are
21 electric customers as well, but they are customers who
22 heat with other fuels.

23 Q. Thank you. Now, starting with -- my goal here is to
24 get a sense of the Consumer Advocate's position

[WITNESS: Eckberg]

1 regarding the conclusions that Staff has drawn in
2 Schedule 1 and in testimony regarding these numbers.

3 In the first column, where it says
4 "Electric Customer (Group 1)", do you have any concerns
5 regarding the underlying assumptions that result in the
6 conclusion that "18 percent" of the SBC is funded by
7 electric heat customers?

8 A. Well, the first concern I would have would be in the
9 first row, which is the "Household Usage of Heating
10 Fuels in New Hampshire". There has been discussion of
11 this earlier in this hearing. Staff has used a number
12 "8 percent", which they reference as their source, the
13 footnote down below, is the "DOE Energy Efficiency", is
14 that correct? I thought that that number came from
15 Census Bureau. Well, anyway, Staff sources are
16 referred to here. And, I think that the conversation
17 earlier in this hearing, or the testimony from
18 Mr. Gelineau and Mr. Palma, that this "8 percent"
19 number was higher than they felt was an appropriate
20 number to use, based upon their analysis of energy use
21 profiles of their customers. They had numbers that
22 were considerably lower, around 1.4, 1.5 percent of
23 their customers were electric heat customers. So, I
24 think that's one area of concern with this table.

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[WITNESS: Eckberg]

1 Another area where one might -- where I
2 might make -- use a different number, perhaps. I mean,
3 when one is doing an analysis like this, you always
4 have to use assumptions, simplifying assumptions to get
5 through the project. But, down in the "Heating
6 estimate" section, for instance, the "Estimated annual
7 kWh Usage per Household", Staff used a number "21,155",
8 which is, if my understanding is correct, the kWh
9 equivalent of the estimated therms that are used to
10 heat the average New Hampshire household, okay?
11 Hopefully, I've explained that clearly enough. And, I
12 think one of the factors that could be taken into
13 account relatively simply is that, when you heat with
14 natural gas or when you heat with fuel oil, it's a
15 different process, technically speaking, than when you
16 heat with electric baseboard heat. And, by that, I
17 mean, when you're heating with a furnace or a boiler,
18 that burns some kind of a fuel, a significant
19 percentage of your heat is going up the chimney, it's
20 not going into the house. And, so, while it may be
21 appropriate to use "21,155" as the number in the
22 natural gas column, or the "Other Fuels" column, it
23 might be appropriate to reduce that number by about
24 20 percent in the "Electric Customer" column. Because,

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1 when you heat your home with electricity, electric
2 baseboard heat, 100 percent of the electricity is
3 converted to heat. So, there's that "efficiency
4 factor", you might call it, of delivering the heat to
5 the house using these different technologies.

6 So, that's just another area where there
7 could be a change in this table that would impact the
8 bottom line.

9 Q. And, to summarize, with respect to the "8 percent"
10 number, versus the utilities' 1.4, 1.3 percent number,
11 and the GDS Study conclusion that it's less than
12 4 percent, does the OCA have any position or have any
13 concern with relying on the "8 percent" number to
14 determine a "fairness" argument?

15 A. Well, from the perspective of a "fairness" argument, I
16 think that using the "8 percent" number will increase
17 the purported level of unfairness. Because, if we
18 reduce that 8 percent to a smaller number, say one and
19 a half percent or two percent, as the number of
20 households which heat with electric heat, I think that
21 we would find that this entire first column, the
22 "Electric Heat" column, by the time we get down to the
23 bottom number there, which is "18 percent" as the
24 percentage surcharge share, I think that number would

[WITNESS: Eckberg]

1 be smaller than 18 percent.

2 Q. Okay. With respect to the next column, the "Natural
3 Gas Customer" column, a couple of preliminary
4 questions. Now, natural gas energy efficiency programs
5 are funded via the Energy Efficiency Charge, which is
6 part of the LDAC, is that correct?

7 A. That is correct.

8 Q. And, those programs are funded separately from the
9 System Benefits Charge?

10 A. Yes, they are. They're funded separately, the
11 utilities who administer those programs, collect those
12 funds and track them and report them separately than
13 the SBC funds, yes.

14 Q. And, until very recently, those programs were actually
15 approved separately and distinctly from the energy --
16 the CORE Electric Efficiency Programs, is that correct?

17 A. Yes, that's true. They were on a different annual
18 cycle, and they were, in fact, on a two-year cycle.
19 And, the parties in these dockets worked hard to change
20 the timing of that, so that all the programs could be
21 on a similar timing schedule of approval before the
22 Commission, to try and improve the administrative
23 efficiency of the process.

24 Q. And, the gas companies' Home Performance with ENERGY

[WITNESS: Eckberg]

1 STAR Program is not a fuel neutral program, is that
2 correct?

3 A. That's certainly my understanding, yes.

4 Q. And, there are other programs that are available to
5 residential gas energy efficiency -- or, excuse me,
6 other residential gas customers, other than the Home
7 Performance with ENERGY STAR Program?

8 A. Yes. There are a variety of other rebate programs and
9 heating system rebate programs. Those would all be
10 fully described in the program description of the CORE
11 Program filing, yes.

12 Q. And, gas customers are different from electric
13 customers, in the sense that about approximately
14 98 percent of gas customers heat with gas, whereas
15 electric customers, you've heard that a very small
16 percentage heat with electricity, is that correct?

17 A. Yes, I believe that's correct.

18 Q. So, all of that said, with respect to including the
19 natural gas customers in Group 1, of the fairness
20 analysis that Staff conducts in Schedule 1, do you have
21 any comments or concerns?

22 A. Well, I think this is another area where there may be
23 differences of opinion, between what I might think is
24 appropriate and what Staff did in their analysis here.

[WITNESS: Eckberg]

1 Because I think the issue at hand in this docket is
2 whether -- well, Staff has raised the issue of
3 "fairness", and the question of "whether it's fair to
4 spend electric SBC funds on a fuel neutral
5 weatherization program?" And, the natural gas programs
6 don't really have anything to do with that. As you've
7 suggested, the natural gas customers pay a separate
8 Energy Efficiency Charge. And, there are separate
9 energy efficiency programs, which are not administered
10 by the electric utilities. So, I question whether it's
11 appropriate to combine the natural gas customers with
12 the electric heat customers, as Staff has done here in
13 their analysis.

14 Q. And, if the percentage of electric heat customers were
15 to decrease substantially, and if one were to remove
16 the natural gas customers from Schedule 1, what would
17 the outcome be with respect to the conclusions that
18 have been drawn about the percentage that heating
19 customers contribute to the System Benefits Charge?

20 A. Well, I don't have all the numbers here in front of me.
21 But, in general, I think what we would see would be
22 that the electric heat customers would contribute a
23 portion -- their portion of the total contribution to
24 the Systems Benefits Charge would be fairly in line

[WITNESS: Eckberg]

1 with the percentage of savings which are realized
2 through the programs.

3 So, rather than, for instance, as Staff
4 has shown here, rather than having 18 percent of the
5 total energy program surcharge for electric customers,
6 plus 40 percent of energy efficiency charges coming
7 from natural gas customers, and Staff has combined
8 those two numbers to show that what they believe is
9 appropriate that we should look at 58 percent of the
10 energy efficiency charges come from these Group 1
11 customers, yet only 5 percent of the savings come from
12 these customers. I think that, if we did two things,
13 we changed the numbers in the first column a little
14 bit, as I described, rather than using an "8 percent",
15 you use "one and a half percent", as the utilities have
16 proposed. And, if we don't combine the electric and
17 the natural gas customers, I think you'd see numbers
18 that are much more comparable and much less out of
19 proportion with each other.

20 MS. GOLDWASSER: Thank you. Changing
21 tacks just a little bit, I have a couple more questions
22 for you. I have here the Consumer Advocate's response to
23 Staff Question 5-4, if you could review that please.

24 (Atty. Goldwasser distributing

[WITNESS: Eckberg]

1 documents.)

2 BY MS. GOLDWASSER:

3 Q. Now, in your direct testimony -- or, excuse me, in your
4 rebuttal testimony, and I'm going to bring this back to
5 this response in a second. At Page 7, you take the
6 position that "fairness" is not properly before the
7 Commission. Can you please explain the OCA's position
8 on that?

9 A. Well, I believe the point I'm making here in my
10 rebuttal testimony is that, if "fairness" is indeed an
11 appropriate standard for the Commission to consider,
12 that the time to do that has long since passed. That
13 the Commission has approved this program three times, I
14 believe is the correct number, in the '08 docket, the
15 '09 docket, and then in the 10-188, for the first year
16 of the two-year cycle. And, I think that the issue of
17 "fairness" here, as I discussed it, connects with the
18 response to this Staff 5-4, to the extent that the word
19 "fairness" corresponds to the word "equity" or the
20 concept of "equity" that's in RSA 374, this particular
21 passage that I was asked about. That section of RSA
22 374 I've included in my response here. It says, at
23 least in part, I'll read the second sentence:
24 "Restructuring of the electric utility industry should

[WITNESS: Eckberg]

1 be implemented in a manner that benefits all customers
2 equitably and does not benefit one customer class to
3 the detriment of another." So, the word "equitably" is
4 there, and I think that "equity" might be reasonably
5 considered to be "fairness", in one way or another.
6 And, I think that this program does benefit all
7 customers equitably, and it does not benefit one
8 customer class to a detriment of another.

9 I think there's another data response
10 where I may have discussed the issue of customer class
11 or where I was asked about that. But my evaluation of
12 the "customer class" issue is more in line with
13 tariff-based customer classes. We have a residential
14 customer class, and we have several different
15 commercial and industrial classes. We do not have
16 Group 1 and Group 2 customer classes, as Staff has
17 proposed in their analysis that they presented in
18 Schedule 1 that we just talked about.

19 Q. I'm going to give you an opportunity to talk about
20 "customer classes" in a second.

21 A. Okay.

22 Q. But I want to ask you, with respect to this data
23 response, can you just simply state whether you believe
24 the full implementation of the fuel neutral HPwES

[WITNESS: Eckberg]

1 Program is consistent with RSA 374-F:3, VI?

2 A. Yes, I do believe it is. As I stated my response here,
3 in the last section of my response, Part (a), "I
4 believe that the full implementation of the fuel blind
5 HPwES", or Home Performance with ENERGY STAR, "is
6 consistent with RSA 374-F:3, VI, because it would
7 benefit all customers equitably; [and] it would not
8 benefit one customer class to the detriment of others."

9 MS. GOLDWASSER: Can we please mark this
10 as "Exhibit 51"?

11 CHAIRMAN IGNATIUS: So marked for
12 identification.

13 (The document, as described, was
14 herewith marked as **Exhibit 51** for
15 identification.)

16 MS. GOLDWASSER: I promise we'll get
17 back to classes in a second.

18 WITNESS ECKBERG: Okay. You sensed I
19 wanted to go there.

20 MS. GOLDWASSER: I did.

21 (Atty. Goldwasser distributing
22 documents.)

23 BY MS. GOLDWASSER:

24 Q. I have here the OCA's response to Staff Data Request

[WITNESS: Eckberg]

1 5-5. And, in the first part of this response, you
2 discuss the "Total Resource Cost Test". Can you please
3 explain what that test is?

4 A. Well, my understanding is that the "Total Resource Cost
5 Test" is the methodology that's used to evaluate the
6 benefit/cost ratio of an efficiency program. And, as
7 I've described that test or the use of that test here,
8 in my response to Part (a), beginning about halfway
9 down that paragraph, I said that "The B/C ratio is
10 calculated by summing all the quantifiable benefits,"
11 by which I meant "electric savings, non-electric
12 savings, avoided costs, environmental benefits,
13 *etcetera*, and dividing that sum by the total quantified
14 costs of the program." And, "if this ratio is
15 numerically greater than 1.0 the program is said to be
16 "cost-effective"."

17 MS. GOLDWASSER: Thank you. May I
18 please have this data response marked as "Exhibit 42"?

19 CHAIRMAN IGNATIUS: "52" for
20 identification.

21 MS. GOLDWASSER: Fifty-two, excuse me.

22 CHAIRMAN IGNATIUS: So marked.

23 (The document, as described, was

24 herewith marked as **Exhibit 52** for

[WITNESS: Eckberg]

1 identification.)

2 BY MS. GOLDWASSER:

3 Q. Mr. Eckberg, I have here Order Number 23,574, from
4 November 2000. And, I've turned --

5 A. Did you say "2000"?

6 Q. 2000.

7 A. Okay.

8 Q. Yup. On November 1st, 2000. I turn to Page 4, which
9 summarizes the Final Report of the New Hampshire Energy
10 Efficiency Working Group. Is it your understanding
11 that the Commission approved the Cost-Effectiveness
12 Test as presented by the Working Group, but for one
13 change that's been made more recently?

14 A. Could you repeat that last section of your question, --

15 Q. Yes. Let's --

16 A. -- the "but for" clause?

17 Q. Let's start with the first part.

18 A. Okay.

19 Q. Did the Commission approve that Cost-Effectiveness
20 Test, and is that the test that's basically applied
21 currently?

22 A. Yes. I believe this is the Cost-Effectiveness Test
23 that I was describing generally, yes.

24 Q. And, there has been one change to that test?

[WITNESS: Eckberg]

1 A. Yes. My eye is drawn to a section which is not
2 highlighted here, that's Section (e), which says "a
3 15 percent adder for additional non-quantified benefits
4 (e.g., environmental and other benefits)." And, I
5 believe that originally, with the early implementation
6 of these programs, that 15 percent adder was used in
7 the Total Resource Cost Test, but it's no longer used,
8 because we now have available the Avoided Costs Report,
9 which is produced biannually by a contractor, Synapse
10 Energy Economics. And, I believe that, because we have
11 more detailed information about the avoided costs, we
12 no longer use this generic adder. That's my
13 understanding.

14 Q. But that said, there is a highlighted portion of the
15 test.

16 A. Yes, there is.

17 Q. Can you read that?

18 A. The highlighted portion is here on Page 4. It's
19 Subsection (d). And, it says "quantifiable benefits
20 and costs associated with other resources in addition
21 to electricity (e.g., water, gas, oil)."

22 Q. So, going as far back as 2000, the Commission permitted
23 the utilities to take benefits, such as gas and oil
24 usage, into account when determining whether a program

1 is all cost-effective?

2 A. Yes. That would be correct. The utilities would be
3 allowed, using these definitions here, to, if they
4 could reasonably quantify the benefits, the amount of
5 fuel oil that was saved through weatherization, for
6 instance, they would be able to take the monetary value
7 of those benefits into account in determining the
8 cost-effectiveness of the program.

9 Q. Thank you. Turning back to Exhibit 51 -- I'm sorry,
10 52. Part (b) of that question refers to customer
11 classes. In that question, Staff asks you whether
12 "costs are unfairly shifted" due to the HPwES Program,
13 correct?

14 A. I'd say "almost correct". I don't think -- I don't see
15 the word "HPwES Program" mentioned here. But I'm
16 pretty sure that's the context in which this is being
17 asked, yes.

18 Q. Okay. Fair enough. And, you respond with a citation
19 to "374-F:3, VI", which we've begun to discuss already,
20 correct?

21 A. Yes, I have. And, pardon me if I got ahead of you in
22 your questioning.

23 Q. And, what is the OCA's position with respect to "cost
24 shifting"?

[WITNESS: Eckberg]

1 A. Well, as I summarize in the final sentence in my
2 response to Part (b), "I do not view costs as being
3 shifted unfairly from one customer class to another."

4 Q. Thank you. Now, Mr. Eckberg, you have over ten years
5 experience in residential energy efficiency, correct?

6 A. I think that's a reasonable statement, yes.

7 Q. And, in your mind, does provision of an in-home
8 electric energy efficiency service makes sense if the
9 customer substantially relies on other types of energy?

10 A. It does not make sense, as Mr. Steltzer discussed in
11 detail earlier today in his testimony. I think that
12 the efforts on the parts of energy efficiency experts
13 are to provide whole house weatherization, and that
14 means addressing all the energy use within a house.

15 Q. And, as you know, RSA 374-F:3, X states that
16 "Restructuring should be designed to reduce market
17 barriers to investments in energy efficiency", and that
18 "Utility sponsored energy efficiency programs should
19 target cost-effective opportunities that may otherwise
20 be lost due to market barriers." Are these references
21 to "market barriers" concerns if the utilities may not
22 provide fuel neutral type programs?

23 A. Yes. And, again, I think as Mr. Steltzer described
24 earlier today, trying to structure an energy efficiency

[WITNESS: Eckberg]

1 program that delivered measures or efforts to save only
2 one type of fuel within the home could reasonably
3 construe to be a market barrier, by those people who
4 are in the field trying to deliver that program.

5 MS. GOLDWASSER: Thank you. I have
6 nothing further.

7 CHAIRMAN IGNATIUS: Thank you. Ms.
8 Holahan?

9 MS. HOLAHAN: No questions.

10 CHAIRMAN IGNATIUS: Mr. Linder?

11 MR. LINDER: Yes. Thank you.

12 BY MR. LINDER:

13 Q. Just following up on the previous question, with
14 respect to the "whole house" approach.

15 A. Yes.

16 Q. That is something that is being proposed in the
17 utilities' joint proposal regarding the Home
18 Performance with ENERGY STAR?

19 A. I'm not sure that the words "whole house" is used in
20 the Company filing. But the Companies are proposing,
21 it's certainly my understanding, to address all the
22 energy savings opportunities, the cost-effective
23 opportunities that are there within the home. Whether
24 they pertain to electric appliances or insulation and

[WITNESS: Eckberg]

1 air sealing opportunities, regardless of what the heat
2 source is. So, I would say that the purpose is indeed
3 "whole house" weatherization, yes.

4 Q. And, is it your opinion that that approach is a
5 cost-effective way of delivering energy services?

6 A. Yes, it is my opinion.

7 Q. And, is it also your opinion that it is an effective
8 way of targeting cost-effective opportunities that
9 might otherwise be lost due to market barriers?

10 A. Yes. I think, generally, that's a true statement.

11 Q. And, I wanted to ask you a question about on Page 8 of
12 your direct testimony, and I'll wait till you get
13 there.

14 A. I'm there.

15 Q. Okay. The question on Line 5 is whether you had "any
16 other comments [regarding] the Home Performance with
17 ENERGY STAR Program?" Do you see that?

18 A. Yes, I do.

19 Q. And, you have a number of comments, but I wanted to ask
20 you about the comment that begins on Line 17, on Page
21 8, which is the "fifth" comment?

22 A. Yes.

23 Q. And, you say that "New Hampshire households are
24 increasingly using air conditioning in the summer

[WITNESS: Eckberg]

1 months." And, is that -- what are you basing that
2 particular statement on?

3 A. Well, I base it on general knowledge and experience at
4 the time I made that statement. I believe that Staff
5 asked me a data request about that statement. And, I
6 referenced a resource or something. I don't have those
7 data responses with me. But perhaps you're familiar
8 with that.

9 Q. Well, let me ask you about the third clause in that
10 sentence, which begins with Line 20, on Page 8. And,
11 you're basically saying that those households, "that
12 weatherization improvements will help reduce the costs
13 related to air conditioning, and perhaps more
14 importantly, will help reduce electricity usage on peak
15 days in the summer when the costs are the highest and
16 air quality is often compromised." Do you see that?

17 A. Yes.

18 Q. Can you explain a little bit about why you think that
19 will reduce electric -- why the weatherization
20 improvements will help reduce electricity usage on peak
21 days?

22 A. Well, I think that, on peak days in the summer is when
23 residents -- residential consumers are most likely to
24 be using air conditioning in order to keep their homes

[WITNESS: Eckberg]

1 comfortable, or at least reasonably comfortable. And,
2 weatherizing a home not only keeps it warmer in the
3 winter, but it can keep it cooler or comfortable by
4 keeping the heat out in the summer. So, it takes less
5 air conditioning to reduce or to achieve a level of
6 comfort, comfort that's desired in the home.

7 Q. And, that will result in an energy savings?

8 A. Yes. It will result in energy savings, and I may also
9 help to reduce the peak demand, which is a separate
10 item, but separate issue that's of concern to energy
11 planners of utilities and ISO-New England, yes.

12 Q. And, finally, why do you think that the Home
13 Performance with ENERGY STAR Program is a benefit to
14 society and to electric customers?

15 A. Well, as I believe I've mentioned some of the things in
16 my testimony, similar to the things that Mr. Steltzer
17 discussed, about how, in addition to the things such as
18 increasing the comfort of homes, of homes that are
19 weatherized or serviced through the HPwES Program,
20 there are other benefits, such as helping to reduce
21 carbon emissions, in support of the Climate Change
22 Action Plan goals, and other societal benefits such as
23 that. I believe those things are helped -- those goals
24 can help to be achieved through programs such as this.

[WITNESS: Eckberg]

1 MR. LINDER: Okay. Thank you. I have
2 no further questions.

3 CHAIRMAN IGNATIUS: Thank you.
4 Mr. Nute, do you have any questions?

5 MR. NUTE: No questions.

6 CHAIRMAN IGNATIUS: Mr. Steltzer?

7 MR. STELTZER: No questions. Thank you.

8 CHAIRMAN IGNATIUS: Ms. Thunberg.

9 MS. THUNBERG: Thank you, Chairman
10 Ignatius. Good afternoon, Mr. Eckberg.

11 WITNESS ECKBERG: Good afternoon.

12 BY MS. THUNBERG:

13 Q. I'd like to just revisit OCA's position back in the
14 2008 CORE docket. You said -- you just testified that
15 you recall participating in the 2008 CORE docket, is
16 that correct?

17 A. Yes.

18 Q. And, do you recall that OCA did not support -- or, I
19 just want to make sure I've got my quote correct. Do
20 you recall that OCA's position was that "we do not
21 support the utilities' fuel blind proposal, because it
22 is not sufficiently tailored to focus on reducing
23 electric use or to address market barriers to electric
24 customers investing in energy efficiency"?

[WITNESS: Eckberg]

1 A. I believe that's a -- you're quoting and you're perhaps
2 excerpting something from the memorandum of law that
3 was filed in December of 2008?

4 Q. That's correct. So, you remember that position?

5 MS. HOLLENBERG: Could you actually show
6 him the document.

7 MS. THUNBERG: I would be happy to
8 refresh his recollection.

9 (Atty. Thunberg handing document to the
10 witness.)

11 MS. THUNBERG: I just handed Mr. Eckberg
12 a copy of the December 17th letter that he just referenced
13 to refresh his recollection. I do not intend to mark it
14 as an exhibit. I just merely have some questions on the
15 position that was taken then.

16 **BY THE WITNESS:**

17 A. Yes. I have recently reviewed this document, yes.

18 And, I'm sorry. You had a question about this?

19 BY MS. THUNBERG:

20 Q. Yes. I do.

21 A. Okay.

22 Q. And, in 2008, OCA was amenable to the HPwES Pilot, but
23 not the full program, is that accurate?

24 A. I would have to look at the Settlement Agreement from

[WITNESS: Eckberg]

1 this docket, 08-120, to ensure that the OCA was a
2 signatory. I believe we were. But I'd just like to --
3 subject to check, I'll say "yes", that we were amenable
4 to that.

5 Q. Okay. Now, were you present on Day 1 of the hearings
6 in this matter?

7 A. In this matter?

8 Q. Yes.

9 A. Yes, I was.

10 Q. And, do you recall my line of questioning of
11 Mr. Gelineau and Mr. Palma about any changes that had
12 occurred in the HES or HPwES Program to date?

13 A. I believe you asked them about that, yes.

14 Q. And, do you recall Mr. Palma explaining that the rebate
15 had been lowered from 75 percent to 50 percent?

16 A. I believe he did say that, yes.

17 Q. And, do you recall Mr. Gelineau's testimony that the
18 HPwES Program was "essentially unchanged"?

19 A. I believe he said that, yes. "Essentially unchanged".

20 Q. And, your testimony in this proceeding is supportive of
21 the full HPwES Program, correct?

22 A. Yes, it is.

23 Q. So, you probably know my question at this point.

24 A. I'll let you ask it.

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[WITNESS: Eckberg]

1 Q. If, in 2008, the HPwES Program, as designed, was not
2 sufficiently tailored, and also in that 2000 -- or,
3 December 17th, 2008, there was a nexus argument, if
4 those didn't exist in 2008, has OCA changed its
5 position for this docket?

6 A. I believe that that is one way you could construe our
7 current position, certainly.

8 Q. So, --

9 A. While Mr. Gelineau may have said that the program has
10 not "significantly changed" since it was first
11 proposed, I believe there are some changes.

12 Q. Can you please explain what you believe the changes to
13 be?

14 A. In the program?

15 Q. In the HPwES Program. From 2008 to present.

16 A. Well, I believe that the Company is using a more
17 accurate version of its Home Heating Index than they
18 were originally using. So, that may certainly qualify,
19 in Mr. Gelineau's assessment, as not a "significant
20 change". But I think it is somewhat of a change. It
21 helps the Companies more accurately identify customers
22 for participation that have the potential for bigger
23 savings, the larger energy users. There are also other
24 changes that have occurred outside of this room. Such

[WITNESS: Eckberg]

1 as the release of the Climate Change Action Plan, the
2 release of the GDS Study, which have made
3 recommendations about the usefulness and value of a
4 fuel blind Home Performance with ENERGY STAR Program.

5 Q. Okay. Let me ask the question a different way. Can
6 you tell -- explain now why the current HPwES proposal
7 is "sufficiently tailored to focus on reducing electric
8 use"?

9 A. I'm not sure that I said that.

10 Q. You're looking at the December 17th, 2008 OCA position?

11 A. Right. What I'm saying, I think my response, what I
12 just tried to say, was that I don't believe that I have
13 said that "the program has now changed its design to
14 more completely focus on electric savings." I don't
15 believe I've said that anywhere.

16 MS. THUNBERG: I think, at this time,
17 I'd like to mark this document as an exhibit.

18 (Atty. Thunberg distributing documents.)

19 CHAIRMAN IGNATIUS: This is a letter
20 from the Consumer Advocate's Office, December 17, 2008.
21 Is this what you were quoting from before?

22 MS. THUNBERG: This is the document that
23 I have been quoting from, in my most recent line of
24 questioning with Mr. Eckberg, yes.

[WITNESS: Eckberg]

1 CHAIRMAN IGNATIUS: All right.

2 BY MS. THUNBERG:

3 Q. So, Mr. --

4 CHAIRMAN IGNATIUS: Well, just hold on a
5 second. And, this is being introduced as an exhibit just
6 to support the statement that you read?

7 MS. THUNBERG: It is being introduced to
8 clarify the specifics of OCA's change in position from
9 2008 to present on the HPwES Program.

10 CHAIRMAN IGNATIUS: All right. Any
11 objection to that being introduced?

12 (No verbal response)

13 CHAIRMAN IGNATIUS: Seeing none, it will
14 be "Exhibit 53" for identification.

15 (The document, as described, was
16 herewith marked as **Exhibit 53** for
17 identification.)

18 BY MS. THUNBERG:

19 Q. So, Mr. Eckberg, I'd like to just draw your attention
20 to the last sentence of paragraph one in this document.
21 And, it says "we do not support the utilities' fuel
22 blind proposal because", and it lists some reasons.

23 A. I'm sorry. The "last sentence of paragraph one"?

24 Q. Paragraph two. Sorry if I misspoke.

[WITNESS: Eckberg]

1 A. Paragraph two.

2 Q. So, my question is, back in 2008, it looks like OCA's
3 position on the fuel blind proposal was that "it was
4 not sufficiently tailored to focus on reducing electric
5 use." So, with respect to the present HPwES Program,
6 what is OCA's position on whether the present HPwES
7 Program is "sufficiently tailored to focus on reducing
8 electric use"?

9 A. I think as I've said in my testimony --

10 MS. HOLLENBERG: Excuse me. I'm
11 actually going to object for the record that the OCA's
12 position is stated in its testimony in this case. So, to
13 the extent that the Staff is looking to ask why our
14 position may have changed, that's acceptable. I guess I'm
15 not looking for them to have us testify further about an
16 issue that we didn't raise in his testimony in this
17 proceeding.

18 So, to the extent that they're looking
19 for new direct on an issue that we did not mention in our
20 testimony, I don't know if there's -- if that makes sense.

21 CHAIRMAN IGNATIUS: Ms. Thunberg, a
22 response?

23 MS. THUNBERG: OCA has changed its
24 position on a program that doesn't seem to have much

[WITNESS: Eckberg]

1 change in it. And, I'm trying to figure out, in the line
2 of questioning and with this document, in a point in time
3 from 2008 we have a position and we have a program
4 description. Now, fast forward to 2012, we have a
5 position and we have a program, and we have changes. And,
6 I'm just trying to get out of OCA why their position may
7 have changed. And, the only reasons I can focus on from
8 2008 were as given in this paragraph two, that it "wasn't
9 sufficiently tailored".

10 CHAIRMAN IGNATIUS: Well, why don't you
11 ask Mr. Eckberg why his position has changed, which OCA
12 says that's not objectionable, and see where his answer
13 takes you.

14 MS. THUNBERG: Okay.

15 BY MS. THUNBERG:

16 Q. If I can adopt that question, Mr. Eckberg, can you
17 respond?

18 A. Well, I would point the reader to the final sentence in
19 paragraph one, which says "For several reasons, the OCA
20 urges the Commission to decline at this time PSNH's
21 request for approval of the proposed program." The
22 date of this letter is December 17th, 2008, which was
23 shortly after, I believe, the initial hearing on this
24 matter before the Commission, at which point the

[WITNESS: Eckberg]

1 utilities, PSNH, in particular, had proposed this new
2 Fuel Blind Pilot Program. And, parties had very little
3 opportunity to inquire about the program. And, that
4 this letter explains several issues, okay, for several
5 reasons, that's why I point the reader to that
6 sentence. Not only to the sentence which you have
7 reasonably pointed me to, that is one of the reasons we
8 did not support at that time the fuel blind proposal.

9 However, as I stated a few moments ago,
10 I think things in the world have changed. There have
11 been new studies, there's new information available.
12 There are new recommendations from policy experts.
13 And, the OCA believes that it is appropriate and
14 reasonable and within the Commission's authority to
15 approve this fuel blind Home Performance with ENERGY
16 STAR Program.

17 Q. Mr. Eckberg, I'd like to have you turn to Exhibit 47
18 which is your direct testimony, specifically Page 4,
19 Lines 10 through 13.

20 A. I'm sorry. Page 4?

21 Q. Page 4, Lines 10 through 13. If you could just read
22 that full sentence -- or, two sentences, from 10 to 13.

23 A. Ten to thirteen. Yes, I'm there.

24 Q. And, a question about this "primary deciding factor".

[WITNESS: Eckberg]

1 Am I correct in understanding that you are saying that,
2 for example, a PSNH customer heating by natural gas and
3 participating in the HPwES Program, that the costs
4 should be paid by the LDAC, rather than the SBC?

5 A. That's my understanding. I think that there may be
6 some nuances to that statement. I'm not sure that --
7 it may be actually an energy auditor associated with
8 the natural gas program who would visit the customer,
9 rather than an energy auditor associated with the
10 electric utility, if there are two different parties
11 there. It may actually be the same person who's
12 operating as a deliverer of both programs. In which
13 case, it's my understanding that, if a home is heated
14 with natural gas, that the way the program is
15 implemented would be that the natural gas utility pays
16 for the majority of the program delivery.

17 Q. And, is the reverse true if this were a electric
18 heating customer, that --

19 A. That the electric utility would pay for the program
20 delivery.

21 Q. Okay. And, under that model, if the primary heating
22 fuel is oil, is there an oil utility that would pick up
23 the tab?

24 A. No. And, actually, I'm sure as you well know, there is

[WITNESS: Eckberg]

1 no oil utility. And, I'm talking about regulated
2 utilities here in my statement. And, this is the fuel
3 blind program proposed by PSNH and Unitil. And, the
4 electric utility, PSNH or Unitil, would pay for that
5 delivery of the program.

6 Q. Is it possible for one household that pays both a SBC
7 and an LDAC, this would be a natural gas customer, to
8 participate in a HPWES Program twice, to the extent you
9 know?

10 A. I don't think that would occur, no. I'm not sure
11 exactly what the administrative safeguards are that are
12 in place, but I think that the utilities are aware of
13 that and would not -- not be doing that. No.

14 Q. I'd like to ask you a couple questions about Exhibit 52
15 that you have in front of you. It's your response to
16 Staff 5-5. Do you have that?

17 A. I do have Exhibit 52, yes.

18 Q. I'm going to try to tap into your calculations here.

19 A. Excuse me?

20 Q. I'm going to try to tap into your calculation efforts
21 here. I know that Attorney Goldwasser didn't want to
22 venture here, but --

23 A. Okay. I'll get my calculator ready.

24 Q. With my respect -- my next questions are going to focus

[WITNESS: Eckberg]

1 on the last sentence of your response to (b). Which
2 is, "I do not view costs as being shifted unfairly from
3 one customer class to another."

4 A. Yes.

5 BY MS. THUNBERG:

6 Q. Mr. Eckberg, I'd like to show you Page 24, from
7 Exhibit 23. We've talked about it before. I have some
8 calculations from Staff that are on it.

9 MS. THUNBERG: So, I'd like to mark this
10 as a separate exhibit. That I'd like to have you confirm
11 some of these calculations and comment on them.

12 (Atty. Thunberg distributing documents.)

13 CHAIRMAN IGNATIUS: So, this is just
14 Page 24, "Program Cost-Effectiveness - 2012 Plan", with
15 Staff calculations handwritten in the far right?
16 Ms. Thunberg?

17 MS. THUNBERG: Yes.

18 CHAIRMAN IGNATIUS: This is just Page 24
19 of that section of Exhibit 23. And, your Page 24 has some
20 handwritten calculations on the far right that Staff
21 performed?

22 MS. THUNBERG: Yes. I'll represent that
23 I did these calculations. And, I would like to walk
24 Mr. Eckberg through to see if he agrees with some of the

[WITNESS: Eckberg]

1 conclusions that can be drawn by these calculations from
2 this sheet.

3 CHAIRMAN IGNATIUS: All right. Well,
4 let's mark this for identification as "Exhibit 54".

5 (The document, as described, was
6 herewith marked as **Exhibit 54** for
7 identification.)

8 BY MS. THUNBERG:

9 Q. Now, Mr. Eckberg, you can probably see what I've tried
10 to do here. Is take the utility costs, and try to come
11 up with a kilowatt-hour price, to kind of look at the
12 costs of the programs from that angle. And, if you
13 notice, you know, there's an "A" with a circle around
14 it and there's a "B" with a circle around it. There's
15 an adjustment from the megawatt-hours to
16 kilowatt-hours.

17 A. Yes. That looks fairly straightforward.

18 Q. So, I'll represent that those calculations produced
19 those numbers that are in the right-hand column. I
20 don't know if you want to corroborate that, but --

21 A. I'll accept them.

22 Q. Okay.

23 A. Subject to check, as usual, but --

24 Q. And, what sticks out, when we look at the cost per

[WITNESS: Eckberg]

1 kilowatt-hour of the HPwES Program from this
2 calculation is that it's much higher than the cost of
3 the other programs. Do you see that?

4 A. I do see that. I think that's probably -- it's clearly
5 an artifact of the fact that, as we calculated earlier,
6 as I did with Attorney Goldwasser, this program, only
7 about 8 percent of the total energy savings were
8 attributable to electricity. And, your calculation is
9 done most likely with the electricity costs, or, excuse
10 me, with the electricity savings, and it does not
11 include the equivalent kWh savings. Which would be the
12 MMBtu savings converted to kWhs. So, I think that what
13 we're looking here is probably, again, subject to
14 check, just the electric energy savings from the
15 program. So, I'm not surprised that the calculation
16 results in a higher cost per kilowatt-hour, because
17 we're looking at only part of the energy savings, nor
18 are we looking at all of the electric energy savings.

19 Q. I'll make an offer of proof that this is a calculation
20 on electric, and not including the non-electric
21 components. You are correct in your assumptions.

22 A. Okay.

23 Q. And, getting back to your response to Staff 5-5, in the
24 sentence that there's no unfair cost shifting from

[WITNESS: Eckberg]

1 among customers. In looking at the cost of this
2 program, would you agree that there is some subsidy
3 more -- that with a high cost program or a cost of a
4 program that's higher, like the HPwES, there is some
5 subsidy going on, correct?

6 A. I'm going to refer back to my response to Staff 5-5,
7 which says "I don't view costs as being shifted
8 unfairly from one customer class to another." The way
9 the funding for the program works, it's my
10 understanding, subject to confirmation by the program
11 administrators, but the Systems Benefit Charges are
12 collected from all electric customers, and the
13 collections from residential customers go to fund
14 residential energy efficiency programs. The
15 collections from commercial and industrial class
16 customers go to fund programs that are delivered to
17 those customer classes. And, I believe that that is
18 the definition that the Commission has used thus far
19 since the CORE Programs have been in effect for
20 determining when -- how costs should be allocated.
21 And, that's the basis upon which I answered this
22 question. That I don't believe that costs are being
23 shifted unfairly from one customer class to another.

24 I guess, to the extent that you're

[WITNESS: Eckberg]

1 asking me about costs being shifted among groups of
2 customers within the residential sector, I don't
3 believe that that's one of the factors that the
4 Commission is supposed to use in evaluating its
5 approval or granting its approval to programs.

6 Q. If some of the residential ratepayers are paying an SBC
7 and an LDAC, and some are only paying an SBC charge
8 into energy efficiency programs, is it fair then to
9 characterize OCA's position that there is some subsidy
10 among those groups, but it's not unfair?

11 A. I'm not sure I understand the nuance of that question.
12 But, just for a clarification, when you ask me about
13 customers that are paying an LDAC, the language, I'm a
14 little uncomfortable with that, because the LDAC is
15 actually a charge paid by natural gas customers, which
16 includes things other than the Energy Efficiency
17 Charge.

18 Q. Understood.

19 A. Okay.

20 Q. And, I'm just referring to the energy efficiency
21 portion of the LDAC.

22 A. Okay.

23 Q. My apologies for not being clear.

24 A. All right. There are -- just wanted to make sure we

[WITNESS: Eckberg]

1 both realize there's other things in the LDAC other
2 than the Energy Efficiency Charge.

3 Q. So, I'm trying to quantify, when OCA is saying that the
4 costs being -- the costs are "not unfairly shifted".
5 And, so, in looking at customers paying twice, if they
6 are natural gas customers, an SBC and then a portion of
7 an LDAC, and customers paying just the SBC charge, that
8 that's not unfair in OCA's position?

9 A. I don't think those customers are paying twice.
10 They're paying what they're supposed to pay according
11 to law and Commission order. They're paying an Energy
12 Efficiency Charge, a Systems Benefit Charge on there
13 electric consumption, and they're paying an energy
14 efficiency charge on their natural gas consumption. I
15 don't see that as unfair in any way.

16 Q. Just trying to whittle down my last few questions,
17 Mr. Eckberg. And, there was a line of questioning with
18 Attorney Goldberg about -- I'm sorry, Goldwasser,
19 sorry, and I think it was pertaining to Order 23,574
20 that I think she showed you, but it was so fast that I
21 didn't know which order number it was. Is that
22 correct?

23 A. Order 23,574, dated November 1st, 2000?

24 Q. Is that the one that you and Attorney Goldwasser were

[WITNESS: Eckberg]

1 discussing?

2 A. Yes.

3 Q. Okay.

4 A. This is the one that had -- where she referred to the
5 "Cost-Effectiveness Test"?

6 Q. Yes. Okay.

7 A. And, we discussed several portions of that
8 Cost-Effectiveness Test right up here in the order.

9 Q. Okay. I have a follow-up question then. With respect
10 to the savings component, did the Commission order
11 address this component?

12 A. Excuse me?

13 Q. With respect to --

14 MS. THUNBERG: Just a minute.

15 (Atty. Thunberg conferring with Mr.
16 Cunningham and Mr. Iqbal.)

17 MS. THUNBERG: I think we're done.

18 Thank you very much.

19 WITNESS ECKBERG: Okay.

20 CHAIRMAN IGNATIUS: All right. We're
21 going to take a brief break. Let's resume at 3:00.

22 (Whereupon a recess was taken at 2:47
23 p.m. and the hearing reconvened at 3:07
24 p.m.)

[WITNESS: Eckberg]

1 CHAIRMAN IGNATIUS: All right. We are I
2 think at the point now of questions from the
3 Commissioners. Commissioner Harrington.

4 CMSR. HARRINGTON: Good afternoon.

5 WITNESS ECKBERG: Good afternoon,
6 Commissioner.

7 BY CMSR. HARRINGTON:

8 Q. Just to -- I'll try to make this fairly quick. The
9 OCA's office is supposed to represent the residential
10 utility customers in issues such as rates, *etcetera*,
11 and so forth on that. And, I'm just trying to figure
12 out that, it seems as if, if all the money from the
13 System Benefit Charge were used for electric energy
14 efficiency matters, it would have a negative impact or
15 a larger negative impact on rates, because it would
16 reduce consumption. Some of which would be during peak
17 times, as well as other times. It would allow more
18 programs to be entered into the Forward Capacity
19 Market, which would get more revenue, which could be
20 used for further energy efficiency programs. And, it
21 would defer or reduce transmission costs and,
22 theoretically, maybe distribution costs.

23 So, why isn't that the OCA's office
24 looking for what is the -- what seems to be that would

[WITNESS: Eckberg]

1 maximize the benefit to the residential electric
2 customers by giving them the most monetary bang for
3 their buck, as compared to a program that works out
4 really good if you're the house that's getting
5 weatherized. But, as far as your next door neighbor,
6 they see little or no savings from it. I know there's
7 a lot there, but --

8 A. Well, that's a good question. I think that the
9 utilities -- first of all, I think that the OCA is
10 concerned about impacts on residential ratepayers. We
11 do want to have cost-effective energy efficiency
12 programs, which save electricity. We are, to a certain
13 degree, relying upon the utilities to share with us
14 their best experience and to help design the programs
15 about what are the most cost-effective ways to deliver
16 the energy efficiency programs. That's a major source
17 of information. We rely on the program administrators
18 to share their experience in the marketplace. And, we
19 have, in this situation, a proposal for a program which
20 appears to meet all the necessary standards that the
21 Commission needs to approve the program.

22 We certainly would look for additional
23 opportunities to save electricity within the context of
24 the program. And, I believe that we'll be talking with

[WITNESS: Eckberg]

1 the program administrators about how to do that. There
2 are new technologies, which the -- which are being
3 evaluated for inclusion in the program. And, we would
4 hope to be able to include those, if the utilities find
5 that they are cost-effective and customer-effective, if
6 you will, if they will help maintain a good
7 relationship with the customers. I mean, I'm thinking
8 of the technology of heat pump hot water heaters when
9 I'm talking about that. That's a technology that we're
10 interested in pursuing, to have included in the
11 program. But, there are, as I understand it, some
12 technological difficulties in installing those.
13 They're not the right solution for every home. And,
14 so, we don't want to rush forward and include
15 technologies that are going to result in negative
16 customer experience. So, we'll try to include new
17 technologies and focus on electric savings to the
18 maximum extent possible.

19 Q. Okay. Well, I guess it would just seem as if the
20 program was -- if this Pilot Program was not in effect,
21 and we left the money, and saying "you have to spend
22 all of this money to reduce electric use", that that
23 would provide the maximum benefit for the overall
24 residential utility customer, by lowering rates that

[WITNESS: Eckberg]

1 we've already discussed. There's other benefits to,
2 you know, reducing heat consumption, by, you know,
3 cutting down the use of foreign fuel and all that other
4 stuff, but it really doesn't -- it's not specifically
5 germane to the residential utility customer.

6 So, I just was trying to find out, you
7 know, why you think that this is better for them than
8 using the money strictly to reduce electric
9 consumption, which would give them the maximum amount
10 of financial reward for their system benefit dollars?

11 A. Well, we don't have a program that's proposed before us
12 to spend the additional, I'm not sure what the number
13 it is, an extra \$1.6 million. There may be an
14 opportunity to find other technologies or other
15 spending opportunities as we progress.

16 Q. Okay. And, just changing topics slightly here. Would
17 you -- would the OCA be open to looking at any type of
18 program that was, say, prioritized, so that it put
19 electric savings at a higher level, and maybe electric
20 savings that would result in electric usage reduction
21 during peak load time, which has the maximum amount of
22 -- so, you know, peak shaving savings for all
23 ratepayers, and then electric savings, and then
24 non-electric energy savings. So, that it was -- the

[WITNESS: Eckberg]

1 funding was prioritized to give priority to the
2 electric savings, where they could be found.

3 A. That's an interesting suggestion. I think we'd want to
4 understand a little bit more about how such a program
5 could be designed and implemented in a relatively easy
6 manner. But we'd certainly be open to considering
7 that.

8 Q. Okay. And, just as a follow-up on your Exhibit 47,
9 your testimony, on Page 8, you were talking about the
10 air conditioning usage. You've done no specific
11 analysis of how much electricity would be saved, you're
12 just looking at that, sort of common sense, I guess, if
13 you have air conditioning, and you insulate, you'll use
14 less air conditioning, and some of that time you're
15 going to use less will be in the middle of the
16 afternoon in summer?

17 A. That's correct. I've done no specific analysis. I
18 think that connects to the issue of ancillary savings,
19 which was discussed with the utilities earlier.

20 Q. And, one final question. The reduction of the rebates
21 from 75 to 50 percent, what type of an impact do you
22 think that will have on this program? Is that going to
23 create more hurdles or --

24 A. Well, the rebates have already been reduced to

[WITNESS: Eckberg]

1 50 percent. So, that's the way the program is being
2 implemented now. I think that the utilities have not
3 found that that has been a significant problem at all.
4 Because their use of the Home Heating Index, and the --
5 is a way to sort of pre-qualify interested
6 participants. And, they have -- my understanding is
7 that there's a very high, what do they call it, a
8 "conversion rate", where the rate of energy audit to
9 completion is very high for this program in New
10 Hampshire, because of their efforts to pre-qualify and
11 identify interested candidates to participate. So, I
12 don't think that the reduction of the benefits has
13 created a major problem for them in any way.

14 CMSR. HARRINGTON: All right. Thank
15 you. That's all the questions I have.

16 CHAIRMAN IGNATIUS: Commissioner Scott.

17 CMSR. SCOTT: Good afternoon.

18 WITNESS ECKBERG: Good afternoon.

19 BY CMSR. SCOTT:

20 Q. I'll ask you a couple -- a question that I've already
21 asked others. Are you aware of any other untapped
22 electric-only opportunities that should be looked at in
23 the CORE Program, in your estimation?

24 A. Well, I mentioned one a few minutes ago, an electric

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1 opportunity, such as heat pump hot water heaters.
2 That's electric technology. I know the utilities are
3 well aware that myself and others have been interested
4 in including that technology, and they are currently
5 evaluating that. I think there's an evaluation from
6 their program in Massachusetts that's due out in
7 August, I think I've heard. Where they will have an
8 opportunity to look more at some of the factors which
9 could help make that program successful here in New
10 Hampshire, or to include that measure in the existing
11 program.

12 But I think that the technologies that
13 we're aware of are well known. I mean, refrigerator
14 replacements are known to be energy savings.
15 Certainly, we know that new lighting technologies, LED
16 lights, are an opportunity for additional significant
17 savings. And, the utilities have started to include
18 those in their lighting catalog, in their rebate
19 programs. But they have been, I think, appropriately
20 cautious in moving forward on those technologies,
21 because, again, they want to ensure that the customer
22 experience is a positive one. And, they have been
23 working with a lighting research center, I believe at
24 RPI, perhaps I have that right, Rensselaer Polytechnic

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[WITNESS: Eckberg]

1 Institute. They have a Lighting Research Center there.
2 And, they are working to ensure that new LED
3 technologies get evaluated and have appropriate
4 credentials, so to speak, before they just jump into
5 the marketplace and start offering rebates. So,
6 they're trying to move ahead with new technologies, but
7 to do so at what they believe is an appropriate pace.
8 That may be a little slow for me sometimes, but I can
9 understand their wanting to ensure a positive
10 experience for people who participate in the programs.
11 So...

12 Q. Thank you. That's helpful. And, again, obviously, in
13 your direct testimony you've been asked a couple times
14 about your comments regarding "air conditioning" and
15 your statement that you're "supportive of evaluations
16 -- "evaluation efforts" to help quantify reductions
17 from that. That's still the case, I assume?

18 A. Yes. From both air conditioning and the other
19 components of the ancillary savings that have been
20 talked about, which are, for instance, if you
21 weatherize an oil heated home, then you're going to be
22 operating the heating system less, because you'll need
23 fewer Btus in the house to keep it warm. One of those
24 ancillary savings or secondary savings would be the

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1 electric savings associated with running the furnace
2 less, whether it's a blower or -- that's circulating
3 air through the house, or whether it's the pumps on a
4 boiler hot water system, both of those would be savings
5 in electricity. So, we're certainly supportive of
6 evaluation efforts to try and quantify those things.

7 Q. What would, in your estimation, be the impact, if, for
8 instance, the Commission were to want to see some
9 quantifications of that type of data, Commissioner
10 Harrington mentioned perhaps to look at incorporating
11 some sort of prioritization within the HPwES Program to
12 favor electric reductions. If, instead of approving
13 the full program, it continued as a pilot while that
14 was being done, what do you see as the -- what's your
15 opinion of the impacts of that?

16 A. Well, generally, I'd say, I think that this program has
17 been in its "evaluation" or "pilot" phase for long
18 enough. And, hopefully, I can say that respectfully.
19 But the program has, I believe, met its evaluation
20 responsibilities. There was an interim evaluation
21 during the "pilot" phase that was performed by a third
22 party contractor. And, there was also a final impact
23 and process evaluations, which are available for review
24 on the Commission's website. I have one of them hear,

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1 the Impact Evaluation, done by Cadmus. And, so, I feel
2 that the program has been evaluated.

3 If there are new components, such as the
4 one Commissioner Harrington has suggested, I think they
5 can be evaluated or assessed within the context of
6 program changes to a fully approved HPwES Program, at
7 least that would be the approach I would prefer, rather
8 than leaving the program in a "pilot" phase for any
9 longer.

10 Q. And, to draw that out a little bit more. So, is your
11 feeling -- what's the downside of being in a "pilot"
12 phase?

13 A. Well, I think the downside is that, over the last few
14 years, the utilities have felt very uneasy. They have
15 had a limited number of jobs that they can perform in
16 each program year. And, so, they have had the
17 challenge of trying to balance customer needs, customer
18 expectations, with the ability to deliver the program
19 in the marketplace. In other words, try to keep the
20 interest in demand sufficient that customers know about
21 it, yet not over-marketing the program, so that they
22 have to tell too many people "We can't do that. We're
23 only allowed to do 400 jobs this year", something like
24 that. So, keeping it in a "pilot" phase makes it -- I

[WITNESS: Eckberg]

1 think creates more uncertainty in the marketplace, for
2 not only the utilities, but the contractors who are
3 working there to deliver the program.

4 CMSR. SCOTT: That's helpful. Thank
5 you.

6 WITNESS ECKBERG: Uh-huh.

7 CMSR. SCOTT: That's all I have.

8 CHAIRMAN IGNATIUS: A few more questions
9 on the status of the program.

10 BY CHAIRMAN IGNATIUS:

11 Q. You're recommending that it no longer be considered a
12 "pilot". But you are also recommending that the
13 performance incentives be calculated differently than
14 other programs, specifically looking only at the
15 electric savings, and not including all of the
16 non-electric savings, am I right?

17 A. I believe that that's the recommendation in my
18 testimony. Yes, you have that correct.

19 Q. And, that would be for a period of time for some
20 further study or is that a recommendation for all time?

21 A. Well, I think that's pending further study. There is a
22 Performance Incentive Subgroup that needs to reconvene,
23 to discuss probably that, as well as other
24 recommendations that are relative to the performance

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1 incentive in the VEIC Report. And, as I described in
2 my testimony, I think there's an opportunity to do a
3 little bit of analysis over the few years that the
4 Pilot Program has been in place, to see whether there
5 is a significant monetary issue there, because I'm not
6 convinced that there is. Whether we use all the
7 savings in the formula, the performance incentive
8 formula, or whether we just use the electric savings.
9 I think there's an opportunity to do a little numerical
10 analysis work there. And, that's something that can be
11 then adjusted in any program year filing. I understand
12 that the utilities think it's most appropriate to have
13 the same performance incentive apply to this program,
14 as all the programs. And, I can understand that
15 perspective from maintaining simplicity of program
16 administration. But, at the same time, I think that
17 they understand the unease about that from many
18 parties. So, I think that there is a little bit more
19 research that needs to be done there.

20 Q. You also noted in your direct testimony, that's
21 Exhibit 47, that the monitoring and evaluation process
22 seemed to not be getting as much focus as it needed, I
23 think you had said "because they have been dealing with
24 a lot of other issues", see if I can find the quote,

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[WITNESS: Eckberg]

1 because I don't want to misquote you. I guess, looking
2 at the bottom of Page 7, Line 22, "that in recent
3 years...not enough of a focus on evaluation and
4 continuous improvement of the programs." Is it your
5 concern that there's just a lot to do, and that seems
6 to have fallen by the wayside, or is it something
7 broader than that and there's not an interest in
8 evaluating --

9 A. No, I think --

10 Q. -- and continuing to look for ways to improve?

11 A. Pardon my interruption there.

12 Q. That's all right.

13 A. But I think it's both of those things, Commissioner. I
14 think, indeed, there are a lot of things to do. I
15 mean, we find ourselves engaged in a very
16 time-consuming process here, where we're talking about
17 just one aspect of one program, which is a pilot
18 program. And, there are another \$15 million worth of
19 energy efficiency programs going on in the state. And,
20 it's important to have effective monitoring and
21 evaluation of all of those programs, both the
22 residential ones and the commercial and industrial
23 ones, in order to ensure that the savings that are
24 being claimed are appropriate, and to have updated

[WITNESS: Eckberg]

1 savings estimates, where they're available, as a result
2 of those studies. And, to be able to make procedural
3 or process changes in a program delivery, where that's
4 appropriate.

5 And, I think I mentioned, at the bottom
6 of Page 7, the top of Page 8, the Commission had
7 previously approved a process to engage a contractor to
8 develop a strategic plan to help develop an overall
9 monitoring and evaluation plan. And, we do think
10 that's important, and we would like to see that move
11 forward. It may have been temporarily stalled,
12 perhaps, due to funding concerns related to the SB 323
13 Study. Some of the M&E money was used to take that, to
14 provide for that study. And, so, perhaps there's an
15 opportunity to get back on track with that now.

16 Q. Do you know anything on the status of that RFP?

17 A. No, I don't.

18 Q. Ms. Thunberg, had been inquiring about your -- the
19 letter that the Consumer Advocate's office submitted in
20 2008, finding not enough of a nexus between the
21 proposed HPwES Program and electric benefits. In
22 supporting the HPwES Program now, and, in fact,
23 supporting it becoming a permanent program, are you
24 less concerned about the nexus between the two or have

[WITNESS: Eckberg]

1 you found a greater nexus than you had seen in 2008?

2 A. I don't believe that we found a greater nexus than was
3 there previously. I think, as we -- as the questioning
4 by Attorney Goldwasser said originally, the electric
5 savings was proposed to be approximately 7 percent, and
6 we had an exhibit which demonstrated that. And, then,
7 we -- that's 7 percent of the total energy savings of
8 the program. And, we looked at then the current
9 results, which showed the electric savings as a
10 proportion of total energy savings to be about
11 8 percent. So, I don't think that there's any
12 significant change there.

13 I think, as I tried to explain, this
14 letter was written, certainly, in response to -- in a
15 very short timeline, after the Companies first proposed
16 this program at the hearing in 08-120. And, there was
17 very little opportunity to review the program or the
18 Company's proposal. And, we were very concerned about
19 these issues. We still, I think, and I don't want to
20 minimize our concern. We are concerned, as I said,
21 about energy savings, about electric energy savings.
22 But, in light of the new information, the new studies,
23 new recommendations that have been produced since we
24 wrote this letter. I believe the GDS Study, for

[WITNESS: Eckberg]

1 example, got published about a month after this letter
2 was written, and highlighted the opportunities for and
3 the value of a fuel neutral program. And, so, I think
4 that, in light of the new information that has come
5 about since this letter was written, we have changed
6 our position, and we're supportive of the program as
7 proposed.

8 Q. Did the OCA support the inclusion of this program in
9 this docket, 10-188, when that two-year budget for 2011
10 and '12 was established?

11 A. Did we support it then?

12 Q. Yes.

13 A. I believe the answer to that is "yes".

14 CHAIRMAN IGNATIUS: All right. That's,
15 I think, for me, the questions I had. Commissioner
16 Harrington, another question?

17 CMSR. HARRINGTON: Yes.

18 BY CMSR. HARRINGTON:

19 Q. There was just one follow-up. You had mentioned
20 alternate technologies, and you were talking about
21 water heated by heat pump. Do you know, does active
22 demand response fall under this program? For example,
23 you talked about air conditioning savings. I mean,
24 there are some places where people can sign up for a

[WITNESS: Eckberg]

1 program where the utility can get to regulate your air
2 conditioner by a radio-controlled device. That reduces
3 your consumption at certain peak times, and you get
4 compensated for that.

5 A. Right.

6 Q. Would the funding from the CORE Program, could that be
7 used for a program like that?

8 A. I suppose that's possible. If we were to check the
9 language of RSA 374-F, I think that one might find that
10 there is somewhat of a broad definition about what
11 could be -- SBC funds could be used for. I don't want
12 to say definitively "yes" or "no".

13 Q. But, to the best of your knowledge, there's no
14 prohibition on it?

15 A. To the best of my knowledge.

16 Q. And, also, to the best of your knowledge, there's no --
17 none of the utility programs have been involved in that
18 to date, is that correct?

19 A. Not true. I believe that Unitil was involved in a
20 pilot program, in both New Hampshire and its
21 Massachusetts service territory, testing some
22 time-of-use interventions, which had such things as air
23 conditioner controls and things. And, I believe
24 there's probably a report that's been published

[WITNESS: Eckberg]

1 recently. That was really -- that study was conducted
2 under the rubric, I guess you'd say, of a time-of-use
3 metering study. But perhaps there's some way that such
4 a thing could be funded as well through Systems Benefit
5 Charge. I'm not sure. That would require a little
6 investigation. Perhaps the Company has done that, I
7 don't know.

8 CMSR. HARRINGTON: Okay. Thank you.
9 That's all I have.

10 CHAIRMAN IGNATIUS: Thank you. Any
11 redirect, Ms. Hollenberg?

12 MS. HOLAHAN: I just have a couple of
13 questions please. Thank you.

14 **REDIRECT EXAMINATION**

15 BY MS. HOLLENBERG:

16 Q. Mr. Eckberg, you were asked a couple of times, in
17 questions by the Staff and then from the Bench, about
18 your comment on Page 8 in your testimony, at Line 17 to
19 24, related to the increase of air conditioning use in
20 the summer months. Do you recall those questions?

21 A. Yes. And, I have that in front of me as well.

22 Q. And, you did refer on the stand to -- or, your
23 recollection of having answered a data request from
24 Staff that related to that provision of your testimony.

[WITNESS: Eckberg]

1 And, I do have that data request. And, I wondered if I
2 could just show it to you and ask you if, based on
3 refreshing your recollection, you have any other
4 additional comments to add about the support for your
5 statement about the increasing use of air conditioning
6 in the summer months in this area of the country?

7 A. Yes. This is my response to Staff 5-6 in the current
8 phase of this docket, dated April 18th, 2012. That's
9 the date of my response. And, I think, as I said from
10 the stand here earlier, at the time I prepared my
11 testimony, I did not rely on any specific report or
12 citation, but was able to provide one. And, there is a
13 citation here from the U.S. Energy Information
14 Administration -- Agency, excuse me, with a headline in
15 a report announcing, you know, "Air conditioning in
16 nearly 100 million U.S. homes". Analysis, it just
17 discusses the increasing prevalence of air conditioning
18 in residential situation.

19 Q. Okay. Thank you. And, then, on cross-examination, you
20 were asked about the infamous letter from the OCA in
21 December of 2008 in the 08-120 docket. And, you also
22 mentioned the short time frame with which the OCA had
23 to prepare that letter. And, would you accept subject
24 to check that the hearing in that case, when the

[WITNESS: Eckberg]

1 proposal for the fuel blind pilot was made, was
2 December 11th, 2008?

3 A. Subject to check, certainly, I'd accept that.

4 Q. And, then, that makes the letter from the OCA on that
5 program six days later, on December 17th, 2008, is that
6 correct?

7 A. Yes. And, I presume there was -- I'm presuming there
8 was an additional opportunity from the Bench during
9 that proceeding to comment on this matter, as our
10 office did at that time.

11 Q. All right. Thank you. And, then, you were asked some
12 questions about "what may have changed since
13 December 2008 to cause the OCA to change its position?"
14 And, you made a few comments to explain that. Would
15 you agree that one of the things that's change since
16 December 2008 is that the Commission has approved the
17 HPwES Pilot Program?

18 A. That certainly has occurred, yes.

19 Q. And, in the first approval, the Commission found that
20 the program was not precluded by law. Does that -- do
21 you recall that?

22 A. Yes. That statement certainly rings a bell. I believe
23 a number of parties have referenced that statement by
24 the Commission, yes.

[WITNESS: Eckberg]

1 Q. And, the Commission has approved the Pilot Program a
2 couple of other times, is that correct?

3 A. Yes. The Commission -- yes, it occurred, I think, in
4 that original docket, 08-120, and then in 09-170, and
5 then in 10-188.

6 Q. And, also, you referenced this in response to questions
7 from the Staff, but just to be clear. That program is
8 among the only CORE Programs that actually has been
9 evaluated, and was -- there was a positive evaluation,
10 is that correct?

11 A. Yes. This program has been evaluated very extensively.
12 And, I would characterize those evaluations as
13 "positive", yes. There were some recommendations for
14 adjustments. But, to my understanding, the Companies
15 are embracing those suggestions, so.

16 Q. And, it was positive in the respect that there was a
17 recommendation that the program continue and perhaps
18 not be a Pilot Program?

19 A. Yes.

20 Q. Okay. And, so, since the OCA's letter in December, we
21 have several Commission approvals of the Pilot, we also
22 have a positive evaluation of the Pilot Program. And,
23 you mentioned also the GDS Study was something that has
24 occurred since that time?

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[WITNESS: Eckberg]

1 A. Yes. Those things have all occurred and influenced our
2 decision on this, yes.

3 Q. Thank you. And, just one other question. You were
4 asked some questions about possible other use of the
5 SBC money to capture electric savings. And, I just
6 wondered if you could comment on the status of the CORE
7 Lighting Program?

8 A. The CORE Lighting Program?

9 Q. In terms of its future, and whether or not that would
10 be a possible program that could be used to capture
11 additional electric savings?

12 A. Well, the ENERGY STAR Lighting Program is also a
13 program that's certainly subject to some change at the
14 moment. There is pending legislation -- well, the
15 legislation has been passed at the federal level. And,
16 I believe that there are potential changes to lighting
17 requirements that may be forthcoming. I believe they
18 were supposed to be implemented on January 1st, but
19 there is some federal pause or stay in the
20 implementation of those changes. And, so, I think that
21 those -- those are the changes I think maybe people
22 have heard about in the news where, you know,
23 "incandescent bulbs would be outlawed", that sort of a
24 thing, and that the compact fluorescent lamp would

[WITNESS: Eckberg]

1 become the new standard type of lighting. And, I'm not
2 commenting on the, you know, politics or anything of
3 that. But such a change would impact the ENERGY STAR
4 Lighting Program, because it would change what is
5 considered to be the existing "standard", and then what
6 the program would support.

7 So, I think that's a program -- I'm not
8 sure that I would say it could be greatly expanded or
9 that there would be additional savings opportunities
10 there. I'd certainly want to defer to the program
11 administrators, the people who know a lot more about
12 the lighting than I do. But I just know and I would
13 say that's -- there's a lot of balls up in the air on
14 that one.

15 Q. And, is it possible that the electric savings would
16 actually be -- there would be less opportunity to
17 achieve electric savings with the changes that are on
18 the horizon?

19 A. I think that what I'm trying to convey is that's one
20 possibility. There may be less, there may be more.
21 I'm not sure.

22 MS. HOLLENBERG: Thank you. I don't
23 have any other questions. Thank you.

24 CHAIRMAN IGNATIUS: Thank you. All

[WITNESS PANEL: Cunningham~Iqbal]

1 right. I think, then, Mr. Eckberg, you're excused. Thank
2 you. Let's go off the record.

3 (Brief off-the-record discussion
4 ensued.)

5 CHAIRMAN IGNATIUS: All right. Let's go
6 back on the record. We're going to see how far we get
7 this afternoon going until -- possibly until 5:00. We're
8 going to try not to go later than that. And, if we're
9 able to finish with witnesses, then we will take up the
10 question of whether to have written closings or not. It
11 would depend a little bit on the clock. But I think we
12 may be able to conclude witnesses today, and I think that
13 would be good, given canvassing people on their schedules,
14 we'd have to be moved out pretty far, it appears, to get
15 everybody here.

16 And, so, let's go ahead with Staff
17 witnesses. And, we'll reassess where we are at 4:30,
18 4:45, as to whether or not we need additional time.

19 MS. THUNBERG: Staff calls Jim
20 Cunningham and Iqbal Al-Azad.

21 (Whereupon **James J. Cunningham, Jr.**, and
22 **Al-Azad Iqbal** were was duly sworn by the
23 Court Reporter.)

24 **JAMES J. CUNNINGHAM, JR., SWORN**

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AL-AZAD IQBAL, SWORN

DIRECT EXAMINATION

BY MS. THUNBERG:

Q. Mr. Cunningham, can you please state your name and position for the record please?

A. (Cunningham) My name is James J. Cunningham. I'm a Utility Analyst for the Public Utilities Commission.

Q. And, Iqbal Al-Azad, if you could please state your name and position for the record.

A. (Iqbal) My name is Al-Azad Iqbal. And, I'm a Utility Analyst in the Electric Division of the PUC.

Q. And, if you could each describe your area of expertise here at the Commission?

A. (Cunningham) I joined the Commission in 1988, have been providing expert testimony in depreciation studies, pension, retirement benefits, and other topics related to regulated electric and natural gas, water and steam divisions here at the Commission. In 2002, I worked on the Staff team that recommended the restart of the energy efficiency programs for the gas companies. In 2008, I began my current assignment and have been working on a variety of topics pertaining to Electric CORE Energy Efficiency Programs.

A. (Iqbal) I joined the Public Utility Commission in 2007.

[WITNESS PANEL: Cunningham~Iqbal]

1 And, I was involved mostly in CORE Programs, CORE
2 dockets, and some other dockets as well. And, before
3 that, I was mostly --

4 (Court reporter interruption.)

5 **BY THE WITNESS:**

6 A. (Iqbal) And, before that, I was mostly involved in
7 research and teaching. So, that's my experience. And,
8 my expertise on research and teaching was
9 sustainability and environmental management and so
10 forth.

11 **BY MS. THUNBERG:**

12 Q. And, did you both file joint testimonies in this
13 proceeding?

14 A. (Cunningham) Yes, we did.

15 A. (Iqbal) Yes.

16 Q. And, do you have a copy of your direct testimony, which
17 has been premarked as "Exhibit 35" in front of you?

18 A. (Cunningham) Yes, we do.

19 A. (Iqbal) Yes, we do.

20 Q. And, was this testimony within your area of expertise?

21 A. (Cunningham) Yes.

22 A. (Iqbal) Yes.

23 Q. And, was this testimony created by you or under your
24 direct supervision?

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[WITNESS PANEL: Cunningham~Iqbal]

1 A. (Cunningham) Yes, it was.

2 A. (Iqbal) Yes.

3 Q. And, if I asked these questions of you today, would
4 your answers be the same?

5 A. (Cunningham) Yes.

6 A. (Iqbal) Yes.

7 Q. And, do you have any corrections to make?

8 A. (Cunningham) We have just two questions -- corrections.

9 Q. If you could please explain.

10 A. (Cunningham) On Page 5 of our direct testimony, there
11 was a footnote that ran on. We'd just ask that the
12 first sentence be retained in Footnote 4, on Page 5,
13 and ending in the word "estimate", after that cancel
14 the rest of that footnote. And, second correction, on
15 Page 19, Line 11, the number of "132,633,140" should
16 have been "13,263,314".

17 CHAIRMAN IGNATIUS: Can you give the new
18 number again please?

19 WITNESS CUNNINGHAM: Yes.

20 CHAIRMAN IGNATIUS: This is Page 19,
21 Line 11?

22 WITNESS CUNNINGHAM: Yes. The number
23 that's there is "132,633,140". That number was incorrect.
24 It should have been "13,263,314".

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[WITNESS PANEL: Cunningham~Iqbal]

1 CHAIRMAN IGNATIUS: Thank you.

2 CMSR. SCOTT: Does that change also
3 apply to the Footnote 33?

4 WITNESS CUNNINGHAM: Yes, it does. The
5 amount in Footnote 33 should be taken over ten years. So,
6 I would say, after the number, the incorrect number, at
7 the end of the second line of Footnote 33, add a comma or
8 -- and then add the words "or 13,263,314 kilowatt-hours
9 over ten years." And, that would complete the correction.

10 CMSR. HARRINGTON: Is that per year or
11 total for ten years?

12 WITNESS CUNNINGHAM: Per year.

13 CMSR. HARRINGTON: Okay.

14 BY MS. THUNBERG:

15 Q. Next, gentlemen, I'd like to show you a copy of your
16 rebuttal testimony.

17 (Atty. Thunberg distributing documents.)

18 MS. THUNBERG: That I'd like to mark as
19 an exhibit. It has not been previously marked.

20 BY MS. THUNBERG:

21 Q. Now, with respect to -- oh, did you answer my question,
22 I'm sorry?

23 A. (Cunningham) Yes. All finished with the corrections.
24 Thank you.

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[WITNESS PANEL: Cunningham~Iqbal]

1 Q. With respect to rebuttal testimony, do you have any
2 corrections to make to this document?

3 A. (Cunningham) No, we have none.

4 Q. And, was this rebuttal testimony created under your
5 direction, by you or under your direction?

6 A. (Cunningham) Yes, it was.

7 Q. And, if I asked you the questions in rebuttal today,
8 would your answers be the same?

9 A. (Cunningham) Yes, they would.

10 MS. THUNBERG: Can I have -- I don't
11 remember what number would be next for this rebuttal
12 testimony?

13 CHAIRMAN IGNATIUS: Fifty-five. That
14 we'll mark for identification "55", is the rebuttal
15 testimony.

16 (The document, as described, was
17 herewith marked as **Exhibit 55** for
18 identification.)

19 MS. THUNBERG: Thank you. I think
20 they've authenticated both. No corrections further. So,
21 I think the witnesses are available for cross.

22 CHAIRMAN IGNATIUS: Thank you. Mr.
23 Eaton.

24 MR. EATON: Thank you.

CROSS-EXAMINATION1
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BY MR. EATON:

Q. Mr. Cunningham and Mr. Iqbal, what entities are proposing this Home Performance with ENERGY STAR Program?

A. (Iqbal) Can you repeat the question please?

Q. Who are the parties to this proceeding who are proposing a permanent fuel blind Home Performance with ENERGY STAR Program?

A. (Iqbal) We understand it is PSNH and UES.

Q. And, they did this through a number of filings over the course of the last few years?

A. (Iqbal) Yes.

Q. And, those filings included what's commonly referred to as the "CORE Program filings" that are filed in late summer/early fall, correct?

A. (Cunningham) Yes.

A. (Iqbal) Yes.

Q. And, the Companies also propose to earn a performance incentive on the Home Performance with ENERGY STAR Program, correct?

A. (Iqbal) Yes.

Q. And, in order to get a performance incentive on the savings, and let's just talk about electric savings,

[WITNESS PANEL: Cunningham~Iqbal]

1 can the Companies merely propose what they think
2 they're going to save or does there have to be some
3 sort of backup to that proposal that is a really
4 concrete number?

5 A. (Iqbal) I'm not sure I understand your question.

6 Q. I'm saying, do they have to have a pretty good estimate
7 of the electric savings that they expect to accomplish
8 through their programs when they file looking for a
9 performance incentive on the savings?

10 MS. THUNBERG: Can I just clarify?
11 You're asking just for PSNH and UES?

12 MR. EATON: They're the only ones that
13 are proposing that -- this program. So, yes.

14 MS. THUNBERG: Okay.

15 **BY THE WITNESS:**

16 A. (Iqbal) If the question is about performance incentive
17 and whether they have to be -- estimate electric
18 savings, I think, yes, do their best estimate they have
19 to provide in their budget, and which would be used as
20 a basis for their performance incentive.

21 BY MR. EATON:

22 Q. And, you state in your testimony that, if you look to
23 Page 10, --

24 CHAIRMAN IGNATIUS: Mr. Eaton, are you

1 in the direct or the rebuttal?

2 MR. EATON: In the direct. That's
3 Exhibit 30.

4 CHAIRMAN IGNATIUS: Thirty-five.

5 MR. EATON: Thirty-five. I'm sorry.

6 BY MR. EATON:

7 Q. In your direct testimony, at Page 10, and I'm looking
8 at Lines 2 through 5. "We note" -- "Further, we note
9 that the companies advised in discovery that other
10 ancillary savings are not reported, tracked nor
11 included in the proposed electric savings, supporting
12 our conclusion that ancillary savings are minor."
13 Correct?

14 A. (Iqbal) Yes.

15 Q. Now, even if everyone agreed with the Commission's
16 rulings that ancillary savings are significant, just --
17 just by the fact that we should expect the boiler to
18 run less, we should expect that the fan should run
19 less, we should expect that there should be less air
20 conditioning in the summertime, if you weatherize the
21 house, if we could all just, as non-experts, agree
22 that's going to happen, can the utilities include those
23 savings in their proposal, unless they have some real
24 good estimates of what those savings are?

[WITNESS PANEL: Cunningham~Iqbal]

1 A. (Iqbal) I think you started with that the Commission --
2 referred to Commission that they said this, that's
3 ancillary service. But my reading of Commission order
4 is they expect those savings. I think -- I don't have
5 the order in front of me, that there "might be
6 significant savings". So, they didn't conclude that
7 there "is significant savings", they expected there
8 "might be significant savings". So, there is a
9 difference between concluding that significant savings
10 is there, and expecting a significant savings could be
11 there.

12 And, I understand the second part of
13 your question that, yes, if you don't know something,
14 then you cannot include that. But, when your budgeting
15 something -- budgeting, you have to use some assumption
16 and estimation, and all your budget numbers include
17 those things.

18 So, my -- my opinion would be that, yes,
19 when you don't have any data on something, then you
20 have to assume something, or which is reasonable. So,
21 I understand that, because there is no data, then we
22 don't include something, might not be the same
23 conclusion we would agree with.

24 Q. I think, in the first day of hearings, when

[WITNESS PANEL: Cunningham~Iqbal]

1 Mr. Gelineau and Mr. Palma were on the stand, we heard
2 three different estimates of the savings for what could
3 be realized in circulating pumps and circulating fans
4 from the heating source of a non-electric installation,
5 correct?

6 A. (Iqbal) Yes, I remember that.

7 Q. So, we have a Cadmus Study at 42, correct me if my
8 numbers aren't right, a Mass. Technical Manual that's
9 in the 70 range of kilowatt-hour savings, and a GDS
10 Study that go over a thousand, correct?

11 A. (Iqbal) I think Mr. Gelineau pointed out 1,400 that GDS
12 come up with. That's what you said.

13 Q. So, you concluded, because we didn't propose any in our
14 budget, that ancillary savings are minor, correct?
15 That's what your testimony says?

16 A. (Iqbal) Yes. And, we have some assumption behind that.
17 Because when we are talking about all this savings,
18 ancillary savings, we have to look into the coincidence
19 factor as well. That's how many times those ancillary
20 savings in a year will be occurring. Like 365 days,
21 how many days we use air conditioning? Or, when do we
22 use those? Or, all these other factors has to -- but,
23 just because there is a possibility that you can save a
24 thousand kilowatt-hour, doesn't mean that that savings

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[WITNESS PANEL: Cunningham~Iqbal]

1 would be occurring every year or -- or that is a
2 perfect number to use.

3 Q. So, Cadmus and the Mass. Technical Manual and GDS were
4 looking at the heating season, correct?

5 A. (Iqbal) Yes. But how they're looking at it is -- might
6 be different. These are three different study. We
7 have to look at their methodology, whether their
8 methodology is comparable or not. And, particularly
9 when you're talking about GDS Study, which is talking
10 about 1,400 kilowatt-hour per year, it might be related
11 to a particular measures. It is not overall ancillary
12 savings.

13 On the other hand, Cadmus and the other
14 source you said, they might be looking at overall
15 ancillary savings. So, we might be talking totally
16 different -- different numbers from the perspective of
17 methodology.

18 Q. If you had the results of these three studies when you
19 prepared your testimony, would you still say that
20 "ancillary savings are minor"? Or, would it be better
21 to say that "we don't know what ancillary savings are"?

22 A. (Iqbal) I would not. Because then I have to look at
23 other studies, that what this is. Like this morning,
24 we talked about the potential, the pie chart I'm talk

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[WITNESS PANEL: Cunningham~Iqbal]

1 about. The pie chart says that weatherization measures
2 for single family or multifamily says 10 percent
3 potential. And, when you look at that, and we look at
4 this program, we might say that, "yes, those 10 percent
5 includes electric heat, non-electric heat, and every
6 other possible ancillary service coming from
7 weatherization." Whether that 10 percent is
8 significant or not, it is a difference of opinion. So,
9 I might still say that figure is insignificant, but you
10 might say that is significant.

11 Q. And, your conclusion and recommendation to the
12 Commission stands on your testimony, they're minor?

13 A. (Iqbal) Yes.

14 Q. Could you please look at Schedule 1 attached to your
15 testimony.

16 CHAIRMAN IGNATIUS: Again, is this
17 rebuttal or direct?

18 MR. EATON: I'm sorry. Exhibit 35.

19 BY MR. EATON:

20 Q. You're direct testimony.

21 A. (Iqbal) Yes, I'm there.

22 Q. And, Group 1 includes electric customers who heat with
23 electricity, correct?

24 A. (Iqbal) Yes.

[WITNESS PANEL: Cunningham~Iqbal]

1 Q. That's the -- that's the column, "Electric Customers
2 Group 1", "8 percent", and read down that way, correct?

3 A. (Iqbal) Yes.

4 Q. Now, you have a line "Estimated Annual Kilowatt-Hour
5 Usage per Household", and that is "7,200
6 kilowatt-hours" for each group, correct?

7 A. (Iqbal) Yes.

8 Q. And, can we call that "power and light"?

9 A. (Iqbal) Yes, that would be right. Correct.

10 Q. Okay. And, you estimated the number of electric space
11 heating customers, based upon a 2009 census estimate
12 for this number, right?

13 A. (Iqbal) Our note says Census estimate is coming from
14 "DOE Energy Efficiency & Renewable, energy consumption
15 in New Hampshire homes". And, if you refer to -- the
16 source is written there in the bottom of this document,
17 number (2).

18 Q. Well, you list two sources in that schedule. One is
19 the "U.S Census Bureau, 2009 New Hampshire housing
20 units", correct? Did you use that at all?

21 A. (Iqbal) I think there is one point here. That Census
22 Bureau update their data, as DOE, because, in 2009,
23 there was no census. The census was done in 2000. So,
24 I would say that those numbers matches. That's why we

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[WITNESS PANEL: Cunningham~Iqbal]

1 use them both as a reference. But I would be more
2 comfortable to using the second reference, which is, by
3 definition, focused on energy efficiency and energy
4 consumption in New Hampshire. And, if --

5 A. (Cunningham) I could just clarify maybe, Jerry. The
6 two sources are the New Hampshire Quickfacts from the
7 U.S. Census Bureau, on Line 2. You see the "600,090"
8 in the "Total" column, total statewide households,
9 "600,090"?

10 Q. Yes.

11 A. (Cunningham) That came from the New Hampshire
12 Quickfacts, from the U.S. Census Bureau, and it was
13 2009. The percentages that are on Line 1 came from the
14 Department of Energy. So, the percentages we used to
15 apply to the U.S. Census Bureau, total New Hampshire
16 households, to get the splits that you see for electric
17 customers in Group 1, for the "48,007", which is
18 arrived at by taking the total, "600,090", multiplying
19 it by the DOE statistic of 8 percent for households
20 heating with electric heat, multiplying those two
21 numbers, you get "48,007", and so forth, for each of
22 the other two groups.

23 Q. Did you ask the utilities for their estimates of
24 electric heat customers?

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[WITNESS PANEL: Cunningham~Iqbal]

1 A. (Iqbal) We didn't. But we relied on reliable,
2 reputable, and available data to everybody.

3 Q. And, there was already some evidence in the record from
4 the direct testimony of Mr. Gelineau and Mr. Palma that
5 that number was a lot lower?

6 A. (Cunningham) Well, one of the things that concerns me
7 about the data that was introduced by Mr. Gelineau and
8 Mr. Palma is that it's not congruent with the data that
9 we're using. And, by that, I mean the data that we're
10 using is statewide data. The data that Mr. Gelineau
11 and Mr. Palma used is company-specific data, not
12 vetted, not shared, you know, with us, but yet
13 representing a discrete PSNH statistic, I think 1.3 or
14 1.4. Now, that doesn't disprove the 8 percent that we
15 have in this schedule. Because, you know, we haven't
16 seen a similar study that Mr. Gelineau did for the
17 Co-op, perhaps, and that could be a lot higher than
18 1.4. Or, perhaps, for National Grid, maybe that number
19 is 20 percent. And, when you add them all together,
20 you might come back with a number that's 8 percent,
21 consistent with the statewide data that we got from the
22 Department of Energy and the Census Bureau.

23 Q. And, if both of you are right, if the statewide average
24 is 8 percent, based upon almost every National Grid

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[WITNESS PANEL: Cunningham~Iqbal]

1 electric customer heating with electricity, and most of
2 the Co-op heating with electricity, because they're
3 much smaller than Public Service, you would use your
4 numbers on the 1.3 percent that Mr. Gelineau found by
5 looking at actual consumption of their own residential
6 customers?

7 A. (Iqbal) I think we are talking about two source of
8 data, that which one should we choose? One is
9 reputable, which has been used for hundreds and
10 hundreds of analyzes statewide, nationally, even
11 internationally. And, one, which is coming from the
12 utilities, which is not verified by a third party or
13 done by a third party, or verified by the parties
14 involved in this docket. So, we have very simple
15 choice. Which one should we use? Well, we made the
16 choice to go with the DOE data, instead of PSNH data.

17 Q. So, Mr. -- So PSNH's -- or, Mr. Gelineau is not
18 reputable and neither is Mr. Palma?

19 A. (Iqbal) We are not saying "they're not reputable", but
20 we are saying that the other sources are tested and
21 verified and reputable. We are not saying that
22 somebody else is not reputable. But, if the choice is
23 between these two, I think, just like anybody else, we
24 choose DOE number. But, if Mr. Gelineau's number is

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[WITNESS PANEL: Cunningham~Iqbal]

1 verified and tested by everybody or that raise to the
2 same level of reputation that the DOE data does, we
3 have no problem with using that data.

4 Q. Mr. Gelineau and Mr. Palma testified under oath,
5 correct?

6 A. (Iqbal) Yes.

7 Q. Thank you. Why are natural gas customers included in
8 Schedule 1?

9 A. (Iqbal) That's simple. Simple in the sense, I
10 understand what utilities are trying to say. That "we
11 are electric utilities, why should we look at other
12 fuel, like natural gas or fuel oil?" I understand.
13 From their perspective, it makes sense. But, when
14 Commission consider that, they don't have the option to
15 look very -- look over the other aspects which
16 utilities are just focusing on. Because here we are
17 talking about different heating energy sources. From
18 utility perspective, it makes sense to focus on
19 electricity only. But, when Commission consider that,
20 they have to take a holistic view. Here is the problem
21 with that focused view the utilities are providing.
22 The utilities are saying that "Commission, you don't
23 have to look at other fuel, because we are not talking
24 about that." But Commission has the responsibility to

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1 do the holistic measures, because Commission also
2 eliminating another energy efficiency program for gas
3 customers. So, they don't have this freedom to choose
4 only to focus on electricity, and ignore everything.

5 When the proposal is serving fuel oil,
6 they have to look at the fuel oil, too. They have to
7 look at the other people who were paying into the
8 energy efficiency funds, and to get the overall idea of
9 fairness issue we are raising. It has to be holistic,
10 just like you were talking about that all this, we have
11 to look at holistic view of the house, whether -- from
12 energy efficiency perspective, from fairness
13 perspective. The Commission needs to look at this at
14 holistic way. Not just a focus where, okay, "we have
15 to talk about electric-only now. We should not be
16 talking about fuel oil or gas."

17 A. (Cunningham) And, I would just add to that. In this
18 analysis, we're comparing usage and benefits. And, the
19 usage is what's used to develop the charges for the SBC
20 and the LDAC. The LDAC pertains to gas; the SBC
21 pertains to electric. So, to collect all of the data
22 that we need to do the analysis correctly, we think, we
23 need to collect all the surcharge data. And, that
24 would include gas, as well as electric. So, that's

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1 another reason why gas is in here.

2 Furthermore, the benefits that we're
3 trying to measure against this surcharge are
4 apples-to-apples. We're trying to measure total
5 holistic benefits against total collections.
6 Therefore, we're trying to measure what's being
7 collected, which is from two industries, electric and
8 natural gas, and comparing what's being collected
9 against what's being provided in the form of benefits.
10 And, so, when you do this on a collective, holistic
11 basis, the conclusion that we reached was that
12 58 percent of the surcharge was coming from customers
13 heating with electricity and natural gas, but only
14 5 percent of the benefits were being achieved for those
15 two group -- for Group 1, electric and natural gas
16 heating customers.

17 Q. Does your Schedule 1 have any gas benefits? As long as
18 you're including gas programs and gas surcharges,
19 you're only comparing them to electric benefits. Isn't
20 that a little bit one sided? Is that holistic?

21 A. (Cunningham) I'm not sure I understand what you mean.

22 Q. Well, I'm looking at the line "Summary of Savings based
23 on PSNH Filing", "5 percent" and "95 percent". That's
24 the electric benefits, but you have no line in here

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1 that has gas benefits. You have -- you lump together
2 all the surcharges, the electric surcharges and the gas
3 surcharges, and you compare them to the benefits in the
4 electric program.

5 A. (Cunningham) Uh-huh. Well, you know, we got this data
6 from the Company's filing, Page 63. And this data has
7 been available for the Company and the parties to
8 review for three months. We haven't received this
9 question for three months. We're open to looking at
10 what the source of this data is and whether it's
11 accurate. But we would say -- refer you to Page 63 of
12 your own filing, which is the source of the data.

13 Q. And, in that same filing, are there gas benefits? Or,
14 at least in the CORE Program filings there are gas
15 benefits, and we're doing gas programs with electric
16 programs, so you could get the same line from the same
17 filing for gas benefits, too, correct?

18 A. (Cunningham) For the gas programs, we haven't received
19 any particular question that the percentage of 5 and 95
20 would be any different. So, we're using what the
21 Company provided, and it's traceable to Page 63 of your
22 own filing.

23 Q. But you'll agree --

24 A. (Cunningham) If you think that's not correct --

[WITNESS PANEL: Cunningham~Iqbal]

1 Q. We can -- for the holistic approach, you have to look
2 at the charges for both electric programs and gas
3 programs?

4 A. (Cunningham) That's correct.

5 Q. And, you brought the gas programs in. PSNH and Unitil
6 did not propose gas programs. And, you're comparing
7 that to the benefits only with the electric programs?

8 A. (Cunningham) PSNH has provided the details of their gas
9 customers that they're serving, on Page 63 of their
10 filing, and they are serving gas customers. So, we're
11 using the information that they provided as it pertains
12 to gas customers in developing this percentage.

13 CHAIRMAN IGNATIUS: Could I ask a
14 clarifying question, because I misread the -- I read this
15 chart differently.

16 BY CHAIRMAN IGNATIUS:

17 Q. Looking at Schedule 1, on "Percentage Surcharge Share",
18 I had thought that the "100 percent" on the far right
19 was made up of, we see the "18 percent", "40 percent",
20 and "42 percent", but those are all 100 percent of the
21 SBC charges. Is that incorrect? They're a combination
22 of SBC and LDAC charges?

23 A. (Cunningham) It's a combination of SBC and LDAC.

24 Q. So, it's 100 percent of both charges assigned to

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1 residential customers? Is that what the "100 percent"
2 is?

3 A. (Cunningham) "100 percent" is the distribution of the
4 population by heating fuel.

5 Q. Well, wait a minute. It's the total of LDAC charges to
6 residential customers, plus the total of SBC charges to
7 residential customers or only the total of SBC charges
8 to residential customers who heat with electricity?

9 A. (Iqbal) I think it is the first option is there. The
10 total residential LDAC and SBC charges are in there.

11 Q. All right. And, if -- then, what's the "42 percent",
12 if there is no such thing as an LDAC or an SBC for
13 non-gas and electric heating customers? Then, what is
14 "42 percent"? That's where I totally lose you. That's
15 why I thought it only had to be the SBC amounts.

16 A. (Cunningham) There's a calculation of what the weighted
17 value of usage for the various categories represents.

18 Q. I'm sorry, I don't understand that.

19 A. (Cunningham) It's a weighed value.

20 Q. Explain that.

21 A. (Cunningham) I'll explain the weighted value, then I'll
22 turn it back to my colleague. The percentages on the
23 first line are used to derive the household split of
24 the 100 percent population.

[WITNESS PANEL: Cunningham~Iqbal]

1 Q. 100 percent of?

2 A. (Cunningham) 100 percent of households in New
3 Hampshire.

4 Q. Not -- okay. Independent of what they heat with?

5 A. (Iqbal) I think the answer to your question is that the
6 42 percent reaches two savings, you are questioning
7 about that? Those are the savings, electric savings
8 coming out of their lighting and appliances usage.
9 That is 25 percent --

10 Q. Well, I'm not talking about savings. I'm looking at
11 "Percentage Surcharge Share".

12 A. (Iqbal) Those are the surcharge they are paying for
13 their lighting and appliance uses on their electric --
14 on their electric uses.

15 Q. So, it's an SBC charge --

16 A. (Iqbal) Yes.

17 Q. -- of 42 percent of the total comes from the SBC for
18 non-gas and electric heating customers?

19 A. (Iqbal) Yes.

20 Q. And, yet, you're saying the "Natural Gas" line of
21 "40 percent" isn't an SBC charge, it's an LDAC, plus
22 SBC charge?

23 A. (Cunningham) And, you can see it in the details. If
24 you look at line -- if you look above, we've got this

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1 split between non-heating and heating. And, under the
2 "Natural Gas" column, the natural gas customers are
3 using 7,200 kilowatt-hours per year, and there's
4 108,000 of them. And, this is the weighting that I
5 mentioned to you a minute ago. So, 777,716,640
6 kilowatt-hours represent SBC charges. SBC charges,
7 because a heating customer that heats by gas has light
8 and power. And, that's the light and power that's
9 being collected in the surcharge for the SBC.

10 Q. All right. I follow you so far.

11 A. (Cunningham) Continuing down for the heating estimate,
12 the same 108,016 customers are heating their homes with
13 natural gas. And, the estimate that we are using,
14 based on annual filings of the natural gas companies
15 for usage, is 21,155 kilowatt-hours per year to heat
16 their homes. So, they're heating their homes with gas,
17 and they're paying an LDAC. And, they're powering
18 their homes 7,200 kilowatt-hours a year, and paying the
19 surcharge for the SBC. So, in total, that series of
20 natural gas customers, on a weighted basis, are paying
21 lighting, power, and heating, for a total of
22 3,062,799,351 kilowatt-hours of energy usage.

23 And, if you look to the column to the
24 right, which is the "74 percent" column, and you go

[WITNESS PANEL: Cunningham~Iqbal]

1 through the same gymnastic, you're going to find the
2 unfairness. Commissioner Harrington was talking about
3 this earlier today. If you go down that same
4 gymnastic, and you look at the 7,200 hours for light
5 and power, and the 9 billion hour -- kilowatt-hours for
6 heat, you see that number, the heating number, 9
7 billion?

8 Q. Yes.

9 A. (Cunningham) You add those two up and you get close to
10 13 billion kilowatt-hours. But, wait. That's not
11 what's in the surcharge. Only 3 billion is in the
12 surcharge. Why is that? Because the oil customers,
13 liquid propane customers, the wood, and the kerosene
14 customers, heating customers, don't have a surcharge.
15 That's the unfairness that we are concerned about in
16 this case. The 12 billion kilowatt-hours is not
17 represented in the surcharge; only 3 billion is
18 represented in the surcharge. So, when you sum up the
19 line that's titled "Total Usage Subject to EE Charge",
20 that line totals 7,600,000,000 kilowatt-hours. And,
21 the percentage for each column is the next line. So,
22 it takes a little bit of differentiation to get to how
23 the weighting is done. But, in response to your
24 question, it started off with "what is that

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[WITNESS PANEL: Cunningham~Iqbal]

1 42 percent?" That 42 percent is a weighted percentage
2 of the kilowatt-hours that are subject to surcharge.
3 And, our intent was to, in answer to Attorney Eaton's
4 question, to match those surcharge dollars, usage
5 figures, with the benefits that the customers are
6 getting.

7 Q. Well, can I just ask, is it correct that that
8 "Percentage Surcharge Share" line, for the first two
9 numbers is what people are actually paying, and the
10 third, "42 percent", is what they should be paying?

11 A. (Cunningham) No. It's what they are paying.

12 Q. Well, -- okay. If they're not being surcharged for
13 anything other than electricity, then how do you get to
14 "42 percent"?

15 A. (Cunningham) If you look at the 42 percent derivation,
16 it's 3,197,279,520 kilowatt-hours, right above it.
17 Where is that coming from? Non-heating, up above,
18 first block.

19 Q. So, that 3 billion is 42 percent of the 7.6 billion?

20 A. (Cunningham) Yes.

21 CHAIRMAN IGNATIUS: All right. Thank
22 you. I now understand.

23 CMSR. HARRINGTON: And, just one more
24 follow-up question on this chart.

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1 BY CMSR. HARRINGTON:

2 Q. Going down to the one that says "Summary of Surcharge
3 Share by Group", and under "Electric Customer (Group
4 1)", there's no number. Why is that?

5 A. (Cunningham) That was -- the line above that is "18"
6 and "40".

7 Q. Yes.

8 A. (Cunningham) That was the "Percent Surcharge Share"
9 line. The line below it, the one you're referring to,
10 "58", --

11 Q. Uh-huh.

12 A. (Cunningham) -- is a summary of Group 1. And, in our
13 analysis, what we did was we summarized Group 1 and
14 Group 2 to simplify the comparison. So, Group 1, the
15 summary of Group 1 represents electric and natural gas
16 heating customers. So, 18 percent --

17 Q. So, the "58 percent" listed under "Natural Gas (Group
18 1)" is actually the cumulative percentage for "Electric
19 Customer (Group 1)" and "Natural Gas Customer (Group
20 1)"?

21 A. (Cunningham) Yes. Correct.

22 CMSR. HARRINGTON: Okay.

23 CHAIRMAN IGNATIUS: I'm sorry, Mr.

24 Eaton. That was a long break from your questioning. I

[WITNESS PANEL: Cunningham~Iqbal]

1 think it's not over yet. Commissioner Scott.

2 BY CMSR. SCOTT:

3 Q. Well, you've gone this far. So, take us through the
4 very last, the last part of the 5 percent/95.

5 A. (Cunningham) So, then, we went to the Company's filing,
6 Page 63, where there are details about the customers
7 being served by the HPwES Program. And, we tallied
8 those numbers. There's quite a few there. But, if you
9 tally them up, you'll get 5 percent related to electric
10 customers and natural gas customers, and 95 percent
11 related to all other customers, i.e. oil, liquid
12 propane, kerosene, and wood. I think, in our
13 testimony, I could find the reference, but, in our
14 testimony, we made that calculation.

15 Q. So, again, for purposes of comparison, why wouldn't you
16 be just looking at just the electric usage in that
17 percentage?

18 A. (Cunningham) Excuse me?

19 Q. So, for purposes of comparison here, why would not you
20 be looking at just the electric side? Why would you be
21 including natural gas in that?

22 A. (Cunningham) We wanted to combine the folks that were
23 paying a surcharge and get that group delineated, so
24 that we could compare the numbers to it.

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1 BY CHAIRMAN IGNATIUS:

2 Q. But you just said a moment ago, the third group, "Other
3 Fuel Customers", is also paying a surcharge for their
4 SBC charge. So, I'm sorry if I'm being dense, but it
5 seems like we've just gone full circle.

6 A. (Cunningham) Okay. I can explain that for you.

7 CHAIRMAN IGNATIUS: Well, why don't we
8 -- why don't we move on.

9 **BY THE WITNESS:**

10 A. (Cunningham) The first two columns --

11 CHAIRMAN IGNATIUS: That's all right.

12 WITNESS CUNNINGHAM: Okay.

13 CHAIRMAN IGNATIUS: Why don't we --
14 let's move on and see it becomes clear as we go on. Mr.
15 Eaton.

16 BY MR. EATON:

17 Q. Mr. Cunningham, I'd like to just show you a response to
18 a data request, and Mr. Iqbal.

19 (Atty. Eaton distributing documents.).

20 BY MR. EATON:

21 Q. This is Data Request Number PSNH 5-2. Did you answer
22 that data request?

23 A. (Cunningham) Yes, we did.

24 Q. And, I think the question was "Provide [any] reference

[WITNESS PANEL: Cunningham~Iqbal]

1 that allows the natural gas companies to fund oil,
2 propane, or wood heat weatherization projects." And,
3 your response was "Our testimony is based on an
4 illustration that reflects natural gas ratepayers in
5 Group 1 because it's our understanding that natural gas
6 utilities intend to implement Home Performance with
7 ENERGY STAR Program in the future." And, you reference
8 "Staff Testimony, Page 3, Footnote 1", correct?

9 A. (Cunningham) That's the response.

10 MR. EATON: Could we have this marked as
11 "Exhibit 56" for identification?

12 CHAIRMAN IGNATIUS: So marked.

13 (The document, as described, was
14 herewith marked as **Exhibit 56** for
15 identification.)

16 BY MR. EATON:

17 Q. And, if we look at your Footnote Number 3 in your
18 testimony, Exhibit 35 -- I'm sorry, it's Page --

19 A. (Cunningham) That's okay. We're following you.

20 Q. Page 3, Footnote Number 1.

21 A. (Cunningham) Right. Yes.

22 Q. Your reference is, "our understanding that all
23 utilities plan to offer this fuel-neutral program in
24 future years." Now, we asked you for a reference to

[WITNESS PANEL: Cunningham~Iqbal]

1 where the gas companies said that they were going to
2 offer a Home Performance with ENERGY STAR Program that
3 was "fuel neutral". And, you referred back to your
4 Footnote Number 1, on Page 3, which says the same thing
5 as Exhibit 56. Is there any place in the record in
6 this proceeding where the gas utilities have said that
7 they're going to "offer a fuel blind Home Performance
8 with ENERGY STAR Program in the future"?

9 A. (Iqbal) I think your question is, "is there any
10 documentation which said -- which shows that gas
11 utilities says something like that? I don't remember
12 right now, I don't have a reference right now. But,
13 with all our quarterly meetings, and other meetings,
14 with all the utilities, during the whole process, that
15 was our understanding. That everybody will be going to
16 implement a fuel blind HPwES Program, depending on
17 their situation.

18 So, we are concluding here, from our
19 understanding through the communication during this
20 whole process, that this is the path they are trying to
21 go. And, that's our -- our answer to that.

22 Q. And, the gas utilities are parties to this Docket
23 Number DE 10-188, correct?

24 A. (Iqbal) Yes.

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[WITNESS PANEL: Cunningham~Iqbal]

1 Q. Did you ask them specifically if they intend to offer a
2 fuel blind Home Performance with ENERGY STAR Program in
3 the future?

4 A. (Iqbal) We didn't ask that directly. But our
5 understanding, as I said, that from all these meetings
6 we have, quarterly meetings, and all these technical
7 sessions, that that was our impression we got from the
8 gas utilities, and other utilities as well.

9 Q. Well, it's my understanding that only the Co-op and
10 Granite State Electric of National Grid, that only the
11 other electric companies have the intention of offering
12 a fuel blind program. That's my understanding of the
13 same meetings that you've been to. So, am I right or
14 are you right?

15 A. (Iqbal) Maybe both of us right. Because how we are
16 listening to that, and what we conclude from that of
17 that discussion. So, your conclusion is only the
18 electric utilities is talking about going fuel blind.
19 And, our conclusion was that all these utilities are
20 going for fuel blind. So, it's a different take on the
21 same information.

22 Q. And, if you were to look at Exhibit 36, which is --
23 which is Staff response -- I'm sorry, it's the response
24 of Mr. Palma and Mr. Gelineau to Staff Set 5, Number 9,

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[WITNESS PANEL: Cunningham~Iqbal]

1 which has already been marked "Exhibit 36", I'll read a
2 sentence there. In the third paragraph, it says: "The
3 gas Home Performance with ENERGY STAR Program is not a
4 fuel-neutral program, so 100 percent of the
5 participants in that program heat their homes with
6 natural gas as their main fuel for space heating."

7 A. (Iqbal) That is true for current program, but we are
8 talking about future.

9 Q. But there's no proposal in front of the Commission now
10 to change the gas programs into a fuel blind program?

11 A. (Iqbal) That is true for the other two electric
12 utilities, too. There is no proposal that they will be
13 going fuel blind as well.

14 Q. Wasn't there something in the results, I believe, in
15 the record request, that there were savings from Home
16 Performance with ENERGY STAR from the Co-op. I believe
17 this is -- I don't remember which. But doesn't the
18 Co-op claim some savings from Home Performance with
19 ENERGY STAR?

20 A. (Iqbal) Not only Co-op. When the HES Program was
21 there, PSNH also -- also reported some savings, which
22 is not electric. So, it is true that, when you
23 weatherize a house, there are some other savings.

24 Q. Is the Co-op conducting their own Home Performance with

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1 ENERGY STAR Program using Co-op funds?

2 A. (Iqbal) As long as we know that there is an SBC, but
3 I'm not sure if they have another program which they
4 are using their own funds.

5 MR. EATON: Thank you, your Honor.
6 That's all I have.

7 CHAIRMAN IGNATIUS: Thank you. Ms.
8 Goldwasser.

9 MS. GOLDWASSER: You'd like me to start?

10 CHAIRMAN IGNATIUS: I think so. It's --
11 I know. One moment.

12 (Brief off-the-record ensued.)

13 (Chairman and Commissioners conferring.)

14 CHAIRMAN IGNATIUS: All right. It's
15 4:45. And, we appreciate everyone's willingness to keep
16 at it. We're going to see if we can conclude testimony by
17 5:15 today. If we do not, and I'm not asking people to
18 shortcut what they're doing, but, if that should work out,
19 then we'll be done with the evidentiary portion of this
20 proceeding, and we'll have written submissions in lieu of
21 closing statements.

22 If we're not able to conclude the
23 evidentiary portion, then we will turn to Friday,
24 June 22nd.

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[WITNESS PANEL: Cunningham~Iqbal]

1 So, let's first see -- let's see where
2 we go right now. Ms. Goldwasser, --

3 MS. GOLDWASSER: Okay.

4 CHAIRMAN IGNATIUS: -- proceed. And, I
5 truly am not trying to rush you. But, at the same time,
6 if we get it finished by 5:15, you, OCA, anyone else,
7 that's not a bad result.

8 BY MS. GOLDWASSER:

9 Q. Good afternoon. In your testimony, both your direct
10 and your rebuttal, the Staff did not mention the GDS
11 Study, which found that less than 4 percent of electric
12 customers statewide heat with electricity. Is that a
13 reputable source for information regarding statewide
14 electric heat?

15 A. (Iqbal) That is a reputable source. But, on the
16 4 percent, there is a methodological problem there. If
17 you remember, that how the sampling was done for GDS,
18 it was focused on getting an amount, the number of
19 respondent from each group, from gas customers, from
20 electric customers, from low income customers. So,
21 that is called a "stratified sampling". That you set
22 up a number of participant in that survey, based on how
23 many participant you want from each group. So, it is
24 not a "random sampling" in that sense. It is a

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1 stratified sampling. And, under the strata, each group
2 is done by random sampling. So, the overall conclusion
3 from that type of sampling might not be correct,
4 because that is a stratified sampling. That is not --

5 Q. Okay. I apologize. Go ahead.

6 A. (Iqbal) No. Go ahead. I'm done.

7 Q. So, the underlying assumption of the GDS -- of the GDS
8 Study, which was prepared for the Commission on energy
9 efficiency, may have underlying problems with it?

10 A. (Iqbal) No. I'm talking about only that for four
11 percent.

12 Q. Only that --

13 A. (Iqbal) That overall conclusion. Overall conclusion,
14 if you do, like that, okay, we are creating, let's say,
15 a committee. We want three people from utilities, two
16 person from the Staff, and some other. So, we
17 determine that first. And, the Staff would be any of
18 the five of us. So, within the Staff, that could be a
19 random sampling --

20 (Court reporter interruption.)

21 **BY THE WITNESS:**

22 A. (Iqbal) Yes. That could be a random sampling within
23 that, those particular groups. But, overall, it is not
24 random sampling. To get a exact number or good

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[WITNESS PANEL: Cunningham~Iqbal]

1 conclusion on overall basis, we need a sampling which
2 is done randomly on overall universe, the number of
3 potential participants. That's what I'm saying.

4 BY MS. GOLDWASSER:

5 Q. Okay. Thank you. With respect to the utilities'
6 analysis, you did have an opportunity to request the
7 underlying data from the utilities, correct?

8 A. (Iqbal) Well, what do you mean by "underlying data"?

9 Q. Well, the utilities opined in their rebuttal testimony
10 about the 1.4, 1.5 percent. And, there were data
11 requests after that testimony was submitted. And, I'm
12 just asking if you had the opportunity to ask for the
13 underlying analysis that the utilities performed?

14 A. (Iqbal) I think the utilities provided an overall --
15 overall methodology of how they did it. Yes.

16 Q. Okay. So, you had the ability to check the numbers via
17 the data request process, correct?

18 A. (Iqbal) I think we asked some data on that, but the
19 conclusion was the same, the same level of details we
20 got. But we didn't specifically ask them "give us this
21 data" or "that data". We didn't.

22 Q. You didn't. That's what I'm asking. Because your
23 testimony has been so far that "nobody double-checked
24 the utilities' analysis." And, so, I'm asking whether

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1 you sought to double-check the utilities' analysis?

2 And, I think the answer is "you asked some questions,
3 but you didn't ask that particular question." You
4 didn't ask for the underlying data?

5 A. (Iqbal) Yes. You're right on that.

6 Q. Okay. Thank you.

7 A. (Iqbal) That we didn't ask any particular data.

8 Q. Thank you.

9 A. (Iqbal) But we asked for how they come up with that
10 conclusion, and we tally those numbers.

11 Q. Okay.

12 A. (Iqbal) And, maybe, if utilities wanted, they can
13 provide those data and say that "these are the data we
14 used, and these are the conclusion we got." But when
15 we asked the question, we only got the conclusion
16 several time.

17 Q. Okay. You were asked several questions about
18 Schedule 1, and the last line in Schedule 1 regarding
19 "percentage savings". And, this is a simple question
20 I'm asking. I'm only asking whether you had the gas
21 savings available to you from the gas programs?

22 A. (Cunningham) We used -- we had the filing.

23 Q. Right. And, in the filing, the filing includes gas
24 savings, as well as kilowatt-hour savings, correct?

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1 A. (Cunningham) I'd have to go back and check. The gas
2 companies did not provide the same detailed break-outs
3 that the electric companies provided. So, I think I
4 couldn't do an apples-to-apples comparison to the two
5 for you.

6 Q. So, rather than look to the gas filing, which is
7 attached to the Settlement Agreement, to the most
8 recent Settlement Agreement in 10-188, to determine
9 what the gas savings were, we only see, in that
10 5 percent versus 95 percent, we only see kilowatt-hour
11 savings, even though we include the costs for the
12 Energy Efficiency Charge in the LDAC?

13 A. (Cunningham) Again, we found that the data in the PSNH
14 details reflected gas participation. And, we used that
15 participation for the gas company customers in the
16 derivation of the 5 and the 95. And, we thought that
17 was a reasonable comparison to make to the surcharges
18 you just mentioned.

19 Q. I only have my copy here. I believe this is Page 63 of
20 the filing -- of the attachment to the Settlement
21 Agreement from December 2011. There are many
22 iterations of the 2011-2012 efficiency programs. Is
23 that the page that you used? I had it open to Page 63.

24 A. (Cunningham) Yes.

[WITNESS PANEL: Cunningham~Iqbal]

1 MS. GOLDWASSER: I'm sorry, Chairman. I
2 just need a moment?

3 CHAIRMAN IGNATIUS: That's all right.

4 (Short pause.)

5 BY MS. GOLDWASSER:

6 Q. So, Mr. Cunningham, you've indicated that -- I'll come
7 back over so you can look at it with me. So, we're
8 looking at Page 63 of the attachment to the Settlement
9 Agreement. And, we're looking at the third column from
10 the left, which, at the bottom, has several highlighted
11 lines. Is that correct?

12 A. (Cunningham) Yes. That's correct.

13 Q. Now, would you agree that, typically, the electric
14 companies have stated that they will not provide a fuel
15 neutral HPwES Program to gas customers unless the gas
16 companies have run out of funding for that year?

17 A. (Cunningham) I believe that's correct, yes.

18 Q. So, would it surprise you, subject to check some other
19 location in the filing, that these savings are from a
20 very small number of homes, which were provided --
21 which were estimated to be provided with HPwES Program
22 savings for gas customers who would not be served by
23 the gas companies because the gas companies had run out
24 of funding?

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1 A. (Cunningham) Well, the gas companies had not run out of
2 funding, so the question is problematic. The gas
3 companies had plenty of funding. So, the fact that the
4 proposal that's here reflects the electric companies
5 doing work to serve gas customers, in advance of
6 actually knowing they're not going to have the money on
7 the gas side to do these customers, it seems a little
8 bit problematic.

9 Q. Okay. So, let's run on the assumption for a second
10 that the highlighted savings that we're looking at are
11 some portion of gas customers who are going to be
12 served by the electric HPwES Program, for whatever
13 reason. If we turn then to Page 91, of the same
14 filing, which is the attachment to the Settlement
15 Agreement from last year, we see a number of savings in
16 MMBtus just for Unitil, so not including what was then
17 National Grid, for their HPwES Program. Would you
18 agree that these savings are savings that would be
19 attributable to a Home Performance with ENERGY STAR Gas
20 Program?

21 A. (Cunningham) These are savings that are related to the
22 Home Performance with ENERGY STAR Program by Unitil.

23 Q. And, these savings were available via the Settlement
24 Agreement in this docket, but were not included in the

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1 savings attributable to the combination HPwES electric
2 and HPwES gas programs, on Schedule 1?

3 A. (Cunningham) I'd have to go back again to say that the
4 5 that we used and the 95 was based on 63, not on this
5 page.

6 Q. So, you didn't include the gas savings in your
7 analysis?

8 A. (Cunningham) Well, we estimated, we thought the
9 estimate would hang, was 5 and 95. We'd be willing to
10 revisit that. If you think we've missed something,
11 we'd be happy to look at it. But we applied the same
12 percentage that PSNH had in its Page 63 across the
13 board.

14 Q. You had a conversation with Attorney Eaton about the
15 likelihood of having a fuel neutral gas program. Would
16 you agree we me that about 98 percent of the gas
17 customers heat with natural gas?

18 A. (Iqbal) Subject to check, yes.

19 Q. Yes. Something like that. And, there's a data
20 response, but I don't think we need to go there. Does
21 that make it seem likely to you that there would be a
22 necessity to have a fuel neutral natural gas program
23 for that other two percent?

24 A. (Iqbal) Can you repeat the question please?

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1 Q. Would the natural gas companies need to seek to do a
2 fuel neutral program, if 98 percent of their customers
3 heat with natural gas?

4 A. (Iqbal) I don't know. It's up to natural gas
5 utilities, whether they feel like or not, because the
6 budgeting and program design is part of their
7 responsibility.

8 Q. Okay. But you agree with me that approximately
9 98 percent heat with natural gas, and potentially --
10 and one of the reasons that the electric utilities are
11 seeking this is that they say, I'm not asking you to
12 agree with the statement, but they say that a very
13 small percentage of their customers heat with
14 electricity, and, therefore, they need to seek other
15 means of getting into people's homes to perform these
16 measures? They say. I'm not suggesting that you --
17 I'm not trying to trap you into agreeing with me.

18 A. (Iqbal) I think that's a good characterization of their
19 position.

20 Q. Okay. When did each of you begin participating in the
21 CORE proceedings?

22 A. (Cunningham) Excuse me, I didn't --

23 Q. When did each of you begin participating in the CORE
24 proceedings?

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[WITNESS PANEL: Cunningham~Iqbal]

1 A. (Iqbal) I think I started when I joined the PUC, in
2 2007 December.

3 Q. Okay. And, Mr. Cunningham, I think we heard --

4 A. (Cunningham) 2008.

5 Q. Yes.

6 A. (Cunningham) Yes, 2008.

7 Q. Okay.

8 A. (Cunningham) August.

9 Q. Did you participate on behalf of Staff in the
10 December 2008 hearing at which the fuel neutral Home
11 Energy Efficiency Program was discussed?

12 A. (Cunningham) Yes.

13 A. (Iqbal) Yes.

14 Q. And, as a result of that hearing, the parties were
15 asked to brief the question of whether a fuel neutral
16 program should go forward, is that correct?

17 A. (Cunningham) That is correct, yes.

18 A. (Iqbal) Are you talking about 2008, which --

19 Q. Yes. After the December 2008 hearing, the parties were
20 asked to brief the question about whether a fuel
21 neutral program should go forward.

22 A. (Iqbal) I think the question was "whether that is legal
23 or not?"

24 Q. Okay.

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1 A. (Iqbal) So, "going forward", no. I would not agree
2 with that. Because the Commission approved the Pilot
3 Program to --

4 (Court reporter interruption.)

5 **BY THE WITNESS:**

6 A. (Iqbal) To evaluate this whole approach. That whether
7 fuel blind program is a good idea. And, we should also
8 mention that Commission also talked about that what
9 could be different source of funding if it is found
10 that the program is a good program. And, one of the
11 option Commission, in their order, I think mentioned
12 about RGGI funding or other funding, other funding
13 sources. So, it is not that Commission approved a fuel
14 blind program at that time. Commission wanted to look
15 into the possibility.

16 BY MS. GOLDWASSER:

17 Q. Okay.

18 A. (Iqbal) And, I think, right now, we are addressing that
19 issue. Whether it is a good idea to go forward with
20 this testimony or not.

21 Q. And, in response to the Commission's request after the
22 hearing in 2008, Staff filed a brief, is that correct,
23 on the legal issues?

24 A. (Iqbal) I think all the parties or most of the parties

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1 filed legal brief, yes.

2 Q. And, in that brief, Staff concluded that a fuel neutral
3 home weatherization program would unfairly shift costs
4 from non-electric heat customers to electric heat
5 customers, is that correct?

6 A. (Iqbal) Yes, that is our position from the beginning.

7 Q. Okay. So, Staff raised that issue in their brief in
8 2008. And, then, again, as part of their
9 recommendation to the Commission, in April 2009, on a
10 more specific proposal, Staff again asserted that the
11 system benefits were not adequately captured by the
12 proposed fuel neutral program, is that correct?

13 A. (Iqbal) As I said, that is our position from the
14 beginning. Yes. And, as a Commission, we -- our
15 position didn't change.

16 Q. And, in orders responding to the briefing and in orders
17 responding to the recommendation, the Commission
18 determined that the pilot fuel neutral program should
19 go forward, is that correct?

20 A. (Iqbal) As I said, yes. Commission wanted to look into
21 the possibility of that, whether this program is a good
22 idea or not. And, that's why they included the Pilot
23 Program. And, that's why they also limited the number
24 of participants, fuel blind participants in the first

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1 couple of years. I think it was 200 fuel blind
2 customers for PSNH and 100 for UES.

3 Q. And, then, again, in later dockets, in Docket 09-170,
4 and then twice in -- or, excuse me. In Order 09 -- in
5 Docket 09-170 and in Docket 10-188, Staff settled with
6 the parties to permit a pilot Home Performance Program
7 to go forward pending final Commission review, is that
8 correct?

9 A. (Iqbal) That is correct.

10 Q. And, during all this time, from 2008 to the present,
11 the Companies worked with the stakeholders, including
12 Staff, on the studies that have been discussed
13 throughout this proceeding, is that correct?

14 A. (Iqbal) Yes. We were involved in this very intimately,
15 yes.

16 Q. And, Staff doesn't raise any concerns about those
17 studies in its testimony?

18 A. (Iqbal) No. Because our position is not whether this
19 program is good or bad. That was not our position. As
20 the studies found that this program is a very good
21 program. But our issue is not about whether this
22 program is very good or not. Whether it makes sense,
23 our position is whether it makes sense that SBC money
24 should be used for that program or not. So, we didn't,

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1 in our direct testimony or rebuttal, we didn't address
2 any of the issue which goes to the merits of this
3 program. Our only objection is, this is a good
4 program, but why should electric customers has to pay
5 for it.

6 Q. Okay. In your cross-examination with Attorney Eaton
7 you referenced Exhibit 45, which is the pie chart?

8 A. (Iqbal) Yes, I remember that, but I don't have that in
9 front of me.

10 (Atty Eaton handing document to Witness
11 Iqbal.)

12 WITNESS IQBAL: I have it right now.

13 BY MS. GOLDWASSER:

14 Q. Approximately 50 percent of the opportunity on that pie
15 chart is lighting, is that correct?

16 A. (Iqbal) To be exact, it is "52 percent".

17 Q. Math strikes again. In Footnote 9 in that exhibit
18 indicates that the savings for lighting may very well
19 be overstated, because "only time will tell how these
20 changes will impact the Lighting Program going
21 forward." Is that correct?

22 A. (Iqbal) That is correct. I want to add one more thing
23 on that, on that perspective. That we understand there
24 is some changes on the standards, and that might reduce

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1 the lighting -- lighting savings. And, we also talked
2 about the least cost planning from PSNH, and they did
3 analyze this, on these lighting savings, that how much
4 that would be reduced. And, if my recollection is
5 correct, they use 40 percent reduction on that. Even
6 if you use that 40 percent reduction for this pie
7 chart, the multifamily weatherization, single family
8 weatherization, and new construction, which is right
9 now 14 percent of total savings, will not go beyond
10 20 percent, with 40 percent adjustment for lighting.

11 MS. GOLDWASSER: Chairman Ignatius, I
12 have nothing further.

13 CHAIRMAN IGNATIUS: All right. Do we
14 have questioning from Ms. Holahan?

15 MS. HOLAHAN: No.

16 CHAIRMAN IGNATIUS: Mr. Linder?

17 MR. LINDER: No questions. Thank you.

18 CHAIRMAN IGNATIUS: Mr. Nute?

19 MR. NUTE: No questions.

20 CHAIRMAN IGNATIUS: And, looks like
21 Mr. Steltzer, as he had said he would have to, had to go,
22 but he had no questions. Ms. Hollenberg.

23 MS. HOLLENBERG: Yes. Thank you.

24 BY MS. HOLLENBERG:

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1 Q. I think I only have one question. Is it true that, in
2 May of 2012, the Staff recommended to the Commission
3 that the HPwES Program be approved for purposes of a
4 collaboration with the BetterBuildings Program?

5 A. (Iqbal) yes.

6 MS. HOLLENBERG: Thank you. No other
7 questions.

8 CHAIRMAN IGNATIUS: Thank you.
9 Commissioner Harrington, any questions?

10 CMSR. HARRINGTON: Yes, I have a few,
11 actually.

12 CHAIRMAN IGNATIUS: Should we have
13 another one of these off-the-record moments?

14 (Chairman and Commissioners conferring.)

15 CHAIRMAN IGNATIUS: All right. Back on
16 the record. I think, although we are awfully close, we
17 have some parties who have held over as long as they can
18 and have got to leave by 5:15, which is already 45 minutes
19 past when we should have left, so I'm not going to push it
20 any further.

21 We will resume Friday morning,
22 June 22nd, at 10 clock, to conclude the Staff panel,
23 questioning from Commissioners, redirect. And, it would
24 have been nice to do oral closings at that point. I think

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1 we told Mr. Steltzer we would do it in writing. So, maybe
2 I'll leave it to the parties to discuss amongst yourselves
3 on which way you would rather go. We'll do either. And,
4 if even the possibility that we do it orally, and let
5 Mr. Steltzer submit something in writing, would be okay,
6 if it's okay with all of you. But I don't want to push
7 one solution or another. And, if everyone in writing is
8 better, we can do that. But I'm afraid we really do have
9 to come back to finish this up. We won't be able to
10 finish in the next five minutes. So, --

11 MS. GOLDWASSER: Can I --

12 CHAIRMAN IGNATIUS: Ms. Goldwasser, yes.

13 MS. GOLDWASSER: Just a quick question.
14 Are we -- we'll be on the record for the closings, if we
15 don't do written closings?

16 CHAIRMAN IGNATIUS: I'm sorry, can you
17 say that?

18 MS. GOLDWASSER: Will we be on the
19 record for closings, if we don't do written closings?
20 Attorney Thunberg had mentioned doing closings without a
21 stenographer and --

22 CHAIRMAN IGNATIUS: Oh, no. I think she
23 meant "without a transcript", meaning without having a
24 chance to read the transcript of the prior days.

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1 MS. GOLDWASSER: I'm sorry. That's what
2 I meant. Will you have our closings in writing, if we
3 don't provide them in writing? That's my question.

4 CHAIRMAN IGNATIUS: Any closings, oral
5 closings, will be transcribed.

6 MS. GOLDWASSER: Okay.

7 CHAIRMAN IGNATIUS: Thank you. All
8 right. Thank you, everyone, for your patience. And, we
9 will see you Friday, at 10:00.

10 (Whereupon the hearing was adjourned at
11 5:11 p.m., and the hearing to reconvene
12 on Friday, June 22nd, 2012, commencing
13 at 10:00 a.m.)

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